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20 March 1984

# Latin America Report

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20 March 1984

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## PROGRESS OF EL CERREJON COAL PROJECT DETAILED

Bogota EL SIGLO in Spanish 1 Feb 84 p 19-A

[Article by Lucy Diaz]

[Text] With the El Cerrejon project, Colombia has begun a new stage in its economic development, and starting next year it will have a significant source of foreign exchange which will aid us in obtaining the resources necessary to carry out the major economic projects in the country.

The intention to step-up the beginning of coal production and exportation to 1985 in the northern zone of El Cerrejon constitutes a decision by the government reflecting its policy for strengthening foreign trade as a fundamental base for developing the national economy.

According to the latest reports provided by CARBOCOL (Colombian Coal, Inc.) and Intercor [expansion unknown] and by the principal contractor, the Morrison Knudsen Company, most infrastructure projects are already in their second and final phase of construction, which guarantees the beginning of coal production for the middle of next year.

Colombia's ultimate goal in terms of coal production is to provide 10 percent of the world's demand for coal. Thanks to the El Cerrejon project in its northern and central zones, by the end of this decade the country will be exporting almost 10 million tons annually.

The current state of affairs for the largest economic project in the nation is as follows:

- Regarding the port at Bahia Portete, recently christened by President Betancur as Puerto Bolivar (in honor of the liberator), dredging operations have been completed and the entire structure which will make it possible to load ships with a capacity of 150,000 tons each is already being set up.
- The railway, running from the mine to the maritime terminal (with a length of 150 km), currently consists of a network extending over more than 60 km. The highway paralleling the railway is in full operation, just as are the other complementary roadways.

- The mining operations are now more than half completed and have reached the point where tests have already been conducted on the first 1,000 tons of coal, confirming its calorific potential and its quality, which puts out national mineral alongside the most favored and greatly sought after minerals on the international market.

- Construction has already begun on the two airports, one at the mine and the other at the maritime terminal. Meanwhile, two specially contracted national airlines are transporting more than 3,000 people from Guajira to the center of the country and to other cities on the Atlantic Coast.

- At the same time, the housing units for Bahia Portete are nearing completion, as are those at the mining site, where almost all the personnel along with their families will be located once production begins there, in other words, in mid 1985.

- There are other important infrastructure works, which are: aqueducts, the installation of sewers, electrical powerplants and telephone lines, and the construction of hospitals, schools and undergraduate colleges which are already in full operation, benefitting not only the almost 8,000 employees who work in El Cerrejon, but the entire Guajira population as well, living in the area around the mining zone.

#### Buying Colombian

From now on, the El Cerrejon project will continue to be a factor reinvigorating the national economy, since its development has included purchases from the national industrial sector totaling nearly 100 billion pesos, an amount which will be doubled over the next 12 months, according to information from Intercor and CARBOCOL technicians.

In addition the mining project employs, either directly or indirectly, more than 10,000 persons, including administrative personnel, technicians and workers, in Guajira as well as in Barranquilla and Bogota.

During his last visit to Guajira at the end of December 1983, President Belisario Betancur said that Guajira and the Guajirans will be the first to benefit from the foreign exchange which the El Cerrejon project will produce in the coming year.

In addition, PROEXPO (Export Promotion Fund) has reported that since the initial investment stage the El Cerrejon project has been a foreign exchange source, because the investment of foreign capital is accounted for in terms of incoming dollars, that is, this investment is included under current income in the nation's balance of payments. For example, in comparing the expenditures and receipts of foreign currency for last year, the El Cerrejon project showed a favorable balance of nearly \$500 million.

The project, which represents a total investment of \$3.2 billion contributed by CARBOCOL and Intercor (with each providing 50 percent of the funding), currently has invested in it a total of almost \$1.5 billion, which means that the project is halfway to its goal. However, there remain construction projects requiring less time for completion than that which was needed for the completion of the basic infrastructure.

#### The Coal Era

While Colombia prepares to begin reaping the first direct benefits of the most costly economic project in its entire history, the government policy makers are mapping new horizons for the coal industry to exploit the vast wealth which the country possesses in this area.

Based on this previous experience, the government, with the cooperation of foreign technology and capital, principally from European countries such as France and Italy, is conducting preliminary feasibility studies to determine the economic viability of the coal-bearing zones in the departments of Cesar, Santander, Norte de Santander, Antioquia, Cundinamarca and Boyaca.

The president of CARBOCOL, Enrique Danies Rincon, reported that in the development of governmental policies, this entity--both in the El Cerrejon project as well as in other coal projects--is giving priority to national industry and employment, so that at the present time almost all the personnel working in Guajira are Colombians and of the 8,000 employees, almost 3,000 are Guajirans.

For its part, the partner of CARBOCOL in the El Cerrejon project, Intercor, an affiliate of Exxon in Colombia, in its latest reports on the project's rate of completion, has announced that construction is being carried out according to plan, although there were problems at first with the native communities which live in the region, and afterward with the acquisition of some of the raw materials as was the case with the crossties for the railroad.

Meanwhile, the contractor Morrison Knudsen guaranteed that although by mid 1985 not all of the infrastructure projects will be totally completed, those needed to begin producing and exporting coal will certainly be ready.

#### Markets

El Cerrejon is already exporting coal from its central zone. Colombia already supplies part of the demand for this mineral in countries such as Puerto Rico and others in the Central American region.

Talks held in Europe and Central America by the Minister of Mines, Carlos Martinez Simahan, and by the president of CARBOCOL himself, Enrique Danies, have enabled Colombia to secure in advance the sale of the first tons produced by the northern zone of El Cerrejon. Countries such as Spain, Denmark,

France and practically all the Central American nations as well as Brazil will be the principal purchasers of the Colombian coal.

CARBOCOL, Intercor, the Ministry of Mines and even the Office of the President of the Republic have said that, given the quality of El Cerrejon's coal, mining production in Guajira can count on an ample international market, which makes feasible the achievement of our goal: the supplying of 10 percent of the world market demand.

In summary, that which up until a few years ago was a project, today is a reality. With the El Cerrejon project the country will undergo a considerable change of a positive nature, and it is quite probable that Colombia is standing on the threshold of a new bonanza with this coal venture, at a time when foreign trade is beginning to recover from a long, protracted crisis.

CSO: 3348/286

## JAPANESE FIRM TO DELIVER, INSTALL POWER PLANTS

FL201349 Bridgetown CANA in English 2046 GMT 18 Feb 84

[Text] Kingston, Jamaica, 18 Feb (CANA)--The Japanese firm Toyo Menka Kaisha has been given the contract to design, erect and commission two barge-stored slow speed diesel generating units that the state-owned power company here is acquiring through a 45 million U.S. dollar loan the Tokyo Government has made to Jamaica.

The agreement for Toyo to deliver and install the two 20-megawatt plants by the last quarter of 1985 was signed in Kingston Friday between the suppliers and officials of the Jamaica Government and the power company, Jamaica Public Service (JPS) Limited.

The plants will be built in Japan, installed in a specially designed barge owed to Jamaica and moored in a "pond" at Rockfort, an industrial harbour just east of this capital.

JPS Chairman Orville Cox said the design concept of the barge and pond "will allow for the most severe hurricane conditions that can be expected" in Jamaica.

These plants will be of greater fuel and thermal efficiency than older steam units they will replace at a major power station in Kingston, Cox said.

The JPS is to do preparation line work here for the barge-stored units, when they arrive, to be hooked into the national grid.

The JPS on theory has a capacity of about 400 megawatts, but is often hardpressed to meet peak demand of 250 megawatts.

The government has been spending heavily to refurbish the power plants here to bring greater stability to the electricity supply system.

CSO: 3298/1135

## AMOCO TO OPEN NEW WELLS, INCREASE OIL PRODUCTION

FL162306 Bridgetown CANA in English 2150 GMT 16 Feb 84

[Text] Port-of-Spain, Trinidad, 16 Feb (CANA)--The American-owned AMOCO Trinidad Limited, the largest crude oil producer here, intends to bring nine new wells on stream this year and step up daily production to 82,800 barrels compared with 81,700 BPD last year, says Energy Minister Patrick Manning.

Manning spoke to reporters following a tour of the off-shore company's facilities at Point Galeota on Trinidad's deep south coast yesterday.

Official sources stated today that with the new wells AMOCO would control about 155 wells off Trinidad's southeastern coast.

The company brought six new wells on stream last year.

The minister said AMOCO, which usually accounts for more than half the country's total crude oil production, had planned additional expansion work, but this was subject to an imminent adjustment of the government's supplementary petroleum tax (SPT) imposed on oil companies here.

The SPT is levied on oil companies gross profits, apart from the spiral in world petroleum prices which began in 1973-1974.

In a move intended to maximise revenue from the oil companies, the Trinidad and Tobago Government charged an STP of 35 percent on land drilling companies and as high as 60 percent SPT on marine operators.

With a recent drop in the world demand for oil and in a bid to maintain local production levels, government has already cut the SPT for land-based companies from 35 to 15 percent.

The energy minister said a government announcement on the adjustment of the SPT for marine operating companies could be expected in June. Manning pointed out that of Trinidad and Tobago's crude oil production of 159,600 barrels per day last year, AMOCO contributed 81,700 BPD.

The nine wells to be drilled in 1984 by AMOCO, he said, would be done at a capital cost of 125 million dollars (1 TT dollar ; 41 cents U.S.). This represented more than twice the cost of the company's programme for 1983.

## CARICOM EXPORTS TO UNITED KINGDOM DROP IN 1983

FL231709 Bridgetown CANA in English 2256 GMT 22 Feb 84

[Report by Irvine Reid]

[Text] Bridgetown, Barbados, 22 Feb (CANA)--Exports from the 13-member Caribbean Community (CARICOM) to the United Kingdom for the first 11 months of last year were down by 3.8 million pounds sterling when compared with the same period in 1982, but the value of imports rose by 63.3 million pounds.

Figures released by the British High Commission here said that for the period January to November 1983, the value of exports from CARICOM to the U.K. stood at 277.1 million sterling as against 280.9 million pounds in 1982.

The value of exports to the community from the U.K. last year was put at 356.4 million pounds sterling compared with 293.1 pounds sterling in 1982.

According to the British High Commission only three Caribbean countries sold more goods to the U.K. last year--the Bahamas, Jamaica and St Lucia.

Exports from the Bahamas during the period January to November last year stood at 22.9 million pounds compared with 15.3 million pounds in 1982. Imports were put at 16.4 million pounds compared with 20.1 million pounds in 1982.

Jamaica's exports to the U.K. for the first 11 months of last year stood at 88.6 million pounds as against 87 million, while imports rose by 112.1 million pounds in 1983 compared with 50.9 million pounds in 1982.

Antigua and Barbuda exports to the U.K. over the 11 month period amounted to 1.5 million pounds compared with 5.6 million pounds, as against 11.2 million pounds in 1982.

Exports from St Kitts/Nevis were 1.7 million pounds compared with 5.6 million pounds in 1982 and imports from the U.K. stood at 3.9 million pounds as against 3.7 million pounds.

Montserrat, the U.K.'s smallest trading partner in CARICOM exports just 154,000 pounds worth of goods compared with 185,000 pounds in 1982, and imports stood at two million pounds as against 1.6 million pounds in 1982.

Exports from Dominica during the period January to November last year stood at 11.4 million pounds compared with 10.6 million pounds in 1982 and imports were put at 5.9 million pounds as against 6.6 million pounds.

St Lucia's sales of goods to the U.K. for the first 11 months of last year stood at 20.6 million pounds compared with 14.2 million pounds, while imports from the U.K. amounted to 5.3 million pounds as against 5.7 million pounds.

In the same period St Vincent sold the U.K. merchandise worth 11.3 million pounds as against 9.5 million pounds in 1982 and imports totalled 3.7 million pounds compared with 3.1 million pounds in 1982.

Exports from Grenada stood at five million pounds up from 4.2 million in 1982 and imports for the same period stood at 6.9 million pounds compared with 3.3 million.

Barbados' U.K. exports fell to 11.7 million pounds from 14.4 million in the first 11 months of 1982 while imports from the U.K. during the same period rose to 29 million pounds compared with 24.6 million pounds.

Trinidad and Tobago exports sold 52.2 million pounds worth of goods, a drop from 55.8 million pounds in 1982 and imports from the U.K. were put at 140 million pounds in 1982, nearly the same as the 140.4 million pounds.

Exports from Belize to the U.K. during the first 11 months of last year stood at 11.3 million pounds compared with 12.9 million pounds in 1982 and imports 8.1 million pounds as against 9.8 million pounds in 1982.

Exports from Guyana during the period January to November last year were put at 38.8 million pounds, below the 45.7 million pounds in 1982 and imports were put at 12.5 million pounds not much different from the 12.3 million pounds in 1982.

CSO: 3298/1133

## FEDEFAM REPORTS ON MISSING PERSONS IN LATIN AMERICA

Lima EL OBSERVADOR in Spanish 5 Feb 84 Revista de la Semana Supplement No 61, pp VII-X

[Article by Mabel Barreto Q.: "Until They Are Found!"; passages enclosed in slantlines printed in boldface]

[Excerpt] The drama of missing persons that has affected other Latin American countries for a long time is being lived in Peru today. Everything indicates that the anti-subversive forces that operate in the so-called emergency zone--Ayacucho, Apurimac and Huancavelica--have chosen the same contemptible method that the military has used in Argentina, Uruguay, Chile and Bolivia. Today on our own soil, people--alleged terrorists--are surreptitiously arrested and their whereabouts is never learned. Where are the missing? Someone must answer.

It is 15 December 1983 at 11 pm. The Jaime Peralta family rests in its home in the La Libertad slums in Ayacucho. Suddenly 15 armed men break in and, waving revolvers and machine guns, take away the Jaime Peralta brothers, Leoncio Maximo (18 years old) and Jose Rudy (16 years old). Their mother, the only witness is prevented from leaving the house because they bar the door.

We could have left these people anonymous, protagonists in an incident that, unfortunately, has already become common in Ayacucho: police arrest in the middle of the night without any explanation and, when the family investigates, nothing. They become part of a large mass of arrested-missing persons under the pretext of state security. We do not hide the real names of this family at the express desire of the mother, Maximiliana Peralta. She verifies this on the card she fills out for FEDEFAM [Latin American Federation of Associations of Families of Arrested-Missing Persons]. Many papers are filled out in the hope of learning something about the missing sons. Papers have already been sent to the superior and provincial district attorneys, the chairman of the Human Rights Commission, the Ayacucho Bar Association and the Ninth Command of the Civil Guard in Ayacucho where the armed men who took the brothers away went. This time it is different, though. FEDEFAM unites families of arrested-missing persons from the entire Latin American continent, more than 90,000. Now Maximiliana Peralta knows that she is not alone. The families

can organize to fight for their rights, make demands and find out about their beloved missing persons.

#### What Is FEDEFAM

The Jaime Peralta brothers are only two cases among the immense mass of more than 90,000 missing persons throughout Latin America. These are only the cases recorded and documented, cases recorded and denounced by FEDEFAM.

FEDEFAM is the result of a problem that families in each country initially thought was only a national problem. However, it was verified that forced disappearance was affecting families in various countries. Contact came about when families from various countries made similar demands to international institutions. Many met, for example, at an OAS meeting in Bolivia in 1979. The impetus to form an organization started there. The first congress was held in San Jose, Costa Rica, in 1981. ("Neither forget nor forgive.") FEDEFAM is, then, the result of joint action by families from different Latin American countries that fight for a very concrete goal: the reappearance of their relatives alive. This is expressed perfectly in the slogan at the latest congress held last year in Mexico: "They took them alive; we want them alive."

It was at this congress that the resolution declaring 1984 the /"International Year of the Fight Against Forced Disappearance in Latin America and the World"/ was adopted. This began on 30 January, anniversary of the 1981 massacre at the Spanish Embassy in Guatemala. The organization has been simplified as much as possible under the motto: /For life and liberty!/ This expresses the *raison d'etre* of every humanitarian struggle like FEDEFAM's. "Life shared and open to growth is seen among the peoples and their cultures, especially in their dignity and their desire for justice, freedom, peace and progress."

#### Searching for a Reason

In looking for an explanation for this "infuriating and aberrant phenomenon"--as Loyola Guzman, president of FEDEFAM, calls it--based on the conclusions of the third congress, we see that it is basically due to the application of this type of repression (forced disappearance) under the pretext of "national security." This repression reaches such an extreme that some have called it "state terrorism." The common enemy which is attacked is the desire of the peoples to achieve a better life: "The poverty of the Latin American peoples, the result of the plundering and domination to which they have been victim for hundreds of years, makes them rise up in an organized way to confront this situation. The dominating classes respond with repression, one of its worst expressions being the disappearance of people."

At the beginning, it was believed that only the military dictatorships had the terrible practice of the "perfect crime," arrest-disappearance. However, it has been verified that the destructive fury of the repressive organisms and the armed forces also appears in democratic and constitutional governments. In the name of national security, they commit the same abominable acts that occur under dictatorial governments. Mexico, Colombia and Honduras are examples of this. Unfortunately, Peru has joined them. For some time, it has

practiced "state terrorism" in the troubled Ayacucho zone and in repressive actions against the terrorism of Sendero Luminoso, according to testimony gathered so far.

According to a FEDEFAM leader, sometimes the oppressed and exploited peoples say: Enough. We have already suffered too much. What we now want is the right to life in all countries. We want peace in all countries, but not the peace of the graveyard but peace where everyone has opportunities. The exploited peoples are tired of being exploited and ask for their freedom.

#### Clamorous Slogans

It is sometimes thought that, behind all FEDEFAM work, there is a desire for revenge since it talks of "not forgiving." This arises from distortion of the slogans or the meaning of the organization, trying to twist its basis.

Loyola Guzman defends the organization by explaining each of the slogans that have inspired the different congresses.

/"Neither forget nor forgive."/ Let us consider the number of missing persons. There are more than 90,000 missing persons throughout Latin America: 35,000 in Guatemala, 30,000 in Argentina, 7,000 in El Salvador, etc. How can that many people missing without any explanation be forgotten? How can you ask a relative to forget the time when his son, daughter, spouse, mother or father was taken from his home? Nothing has been learned about him or her for a long time or he or she turns up dead. That cannot be forgotten...or forgiven. It is not a desire for revenge. "We demand that those responsible tell us what has happened to our relatives and return them to us and be judged according to the laws that govern us."

/"Justice does not compromise."/ This does not mean accepting a judicial proceeding that implies forgetting or impunity. They only demand that the laws in each country be applied. They demand trials, lawyers, etc., things that they (those responsible) have not permitted for any of the relatives. "We want justice applied in all strictness and force."

/"They took them alive; we want them alive."/ This is the struggle of the families to recover their beloved in the condition in which they were taken: first of all, /alive/. They also demand that they be returned in the same condition in which they were taken: healthy, whole and in good mental condition.

The slogans, then, do not summarize a desire for hatred or revenge but a desire that "our pain (that of the families) does not spread to other people. To prevent this, we ask the authorities to apply justice. If the guilty are punished, a precedent is established against impunity. Then we will be preparing for a better future where these outrages do not occur again."

#### Latin America: Continent with Over 90,000 Missing Persons

The convocation to the International Year of Struggle Against Forced Disappearance summarizes what happened in our continent: "The Latin American

continent entered history as the new and young hemisphere, a world of hope. However, our lives and our continent will never be ours as long as we are not free to determine it."

#### Central America

/Guatemala/: With 35,000 cases, according to FEDEFAM, it is the Latin American country most affected by this problem. In its Annual Report-1983, Amnesty International indicated that Guatemala was the scene of many extrajudicial executions, arrest-disappearances and torture in 1982. COFADEG [Guatemalan Committee of Families of Arrested-Missing Persons], a member of FEDEFAM, fights for clarification of these cases in this country.

/El Salvador/: According to FEDEFAM, it has 7,000 missing persons. Amnesty International stated that all the branches of the security forces in this country including paramilitary groups and the new antisubversive battalions are involved in broad, systematic programs of torture, kidnapping, murder and genocide. The "Monsignor Oscar Arnulfo Romero" Committee of Mothers and Families of Prisoners, Missing Persons and Political Assassination Victims of El Salvador--named after the priest so vilely murdered--is the Salvadoran member organization of FEDEFAM.

/Honduras/: It has 200 missing persons, according to the FEDEFAM report. Amnesty International said: "Arbitrary arrest-disappearances, torture and illegal executions of Honduran citizens and foreigners continued." COFADEH [Honduran Committee of Families of Arrested-Missing Persons], member of FEDEFAM, is the organization responsible for establishing ties and contacts among the Honduran families with missing relatives.

#### Southern Cone

/Argentina/: According to figures provided by private organizations, there are 30,000 cases of missing persons here. Some 21,000 are youths between 18 and 30 years of age--18,000 men and 3,000 women--3,600 are older than 30 and the rest are children kidnapped with their parents or born in captivity. There are seven private organizations in Argentina concerned with arrested-missing persons. The best known (and members of FEDEFAM) are: the Mothers of Plaza de Mayo Association and its offshoot, the Grandmothers of Plaza de Mayo Association; the Committee of Families of Persons Arrested-Missing for Political Reasons; the Cordoba Committee of Families of Persons Arrested-Missing for Political Reasons; and COSFAM [Committee of Solidarity of Families of Political Prisoners, Dead and Missing Persons in Argentina]. FEDEFAM resolved "to demand that the president-elect of Argentina immediately withdraw the military advisers and end training given to the military and police from other Latin American countries." It also resolved "to organize a delegation of Latin American families that have arrested-missing persons in Argentina to demand from the military government their reappearance alive and to ask Dr Raul Alfonsin, in his position as commander in chief of the armed forces, to immediately release the arrested-missing persons and the political prisoners."

/Bolivia/: According to the Permanent Human Rights Assembly of Bolivia, there have been 500 missing persons between 1964 and 1982 under the military

governments of Presidents Rene Barrientos, Alfredo Obando, Hugo Banzer, Alberto Natusch and Luis Garcia Meza. This committee was created by the Hernan Siles Zuazo government and is chaired by Rene Duche, vice minister of justice. It includes representatives of all the major groups in Bolivia like the executive and legislative branches, the armed forces, unions, families of the missing persons and the Bolivian Red Cross. ASOFAMD [Association of Families of Arrested-Missing Persons and Martyrs for the National Liberation of Bolivia] is the member organization of FEDEFAM in Bolivia. Mrs Loyola Guzman de Melgar, Bolivian representative, is the president of this international organization.

On 18 February 1983 the committee discovered 14 bodies buried under false names in the La Paz General Cemetery. One was the body of Mrs Loyola Guzman's husband, missing for 11 years. "How to forget?"

/Colombia/: According to the Standing Committee for the Defense of Human Rights, 97 missing persons have been recorded in Colombia: 54 after being arrested by the police and the army and 14 victims of paramilitary groups. Responsibility has not been established in 29 cases. Two children and two foreigners are included on the list. ASFADDES [Association of Families of Arrested-Missing Persons] is the member organization of FEDEFAM in Colombia. The families of missing persons in Colombia belong to it and the standing committee and the National Association of Amnesty Recipients.

/Chile/: According to the Vicarage of Solidarity, there are 663 missing persons; according to the Human Rights Commission, 619. The Committee for Peace was established in Chile after 11 September 1973. It is headed by the Catholic Church and the heads of other churches belong "as individuals." In 1975 the committee was dissolved and the Vicarage of Solidarity was created in 1976. The National Group of Families of Arrested-Missing Persons from Chile and a similar organization for foreign missing persons are the member organizations of FEDEFAM. There are no concrete cases of people who "reappeared alive" in Chile. Only the bodies of the missing have been found: 15 in Lonquén, 19 in Yumbel and 18 in Mulchén. Skeletons of about 13 people were found in the Maipo River sector. It was verified that an undetermined number of bodies had been buried in Patio 29 of the Santiago General Cemetery under the inscription "NN" after 11 September 1973.

/Mexico/: According to private organizations, there are 516 missing persons. About 70 percent are peasants and the remaining 30 percent students, teachers and workers. The main organization concerned with arrested-missing persons is the National Committee for the Defense of Prisoners, Persecuted, Missing Persons and Political Exiles, a member of FEDEFAM. It is made up by families of the victims. The main cause of disappearances in Mexico was rural and urban guerrilla action at the end of the 1960's and the beginning of the 1970's. The majority of the cases occurred in Guerrero State where Lucio Cabanas' guerrillas acted. Another historic event was the student movement of 1968. Since 1978, 32 people who were on the lists have reappeared alive including Antonio Hernandez, former member of the "Party of the Poor." He said that in 1 month in 1978 he was in five different secret jails.

/Paraguay/: The chairwoman of the Human Rights Commission of Paraguay, Carmen de Lara, estimated the number of missing Paraguayans, both in Argentina and

in her country at 100. In Paraguay, the Committee of Families of Paraguayan Arrested-Missing Persons is the member organization of FEDEFAM that fights for the reappearance alive of the missing relatives.

/Uruguay/: An unofficial estimate shows 30 missing persons, 17 named by the families themselves. The missing persons include a woman, Elena Quinteros, taken by the police from the garden of the Venezuelan Embassy in Montevideo in July 1976. This led to suspension of diplomatic relations between Caracas and the Uruguayan Government. The problem of missing persons in Uruguay originated as a result of the political situation after the military assumed power in 1973. The government has not officially investigated the accusations but insists that "there are no missing persons in Uruguay."

#### Peru: Democracy with Missing Persons

When FEDEFAM held its third congress in Lima in 1982, those attending were certain or hoped that, at least under this democratic government, they would not have to mourn missing persons. One reason was that the constitutional government headed by President Belaunde declared the guarantees and laws in effect.

A year later, at the fourth congress held in Mexico, Pablo Rojas, executive secretary of the National Human Rights Commission in Peru, and other institutions or persons like the families themselves presented accusations in Mexico about arrested-missing persons in Ayacucho, Peru.

In Lima, Leonor Zamora, mayor-elect of Huamanga, denounced the chaotic situation in her region. There they no longer speak of the enemy of the people but of two, one represented by those who should defend them--the army. "We make the army responsible since the accusers point to the army as the perpetrator of the arrests and subsequent disappearances."

After statements by CONADEH, one of the resolutions of the FEDEFAM Congress in Mexico was "to express to the Peruvian Government deep concern about the appearance in that country of the abominable practice of arrest-disappearances, requesting immediate clarification of the many accusations presented to the attorney general of Peru and the immediate end of this crime against humanity, recalling that government's commitment at the Third FEDEFAM Congress held in Lima in 1982."

It also resolved to send FEDEFAM delegates to Peru to hear the accusations of arrest-disappearances and to meet with the families involved."

The FEDEFAM delegation made up of its president, Mrs Loyola Guzman, and its executive secretary, Reverend Patricio Rice, arrived in Lima on 18 January. The National Human Rights Commission, in coordination with other organizations like the CEAS [Episcopal Social Action Committee] and members of the Parliamentary Human Rights Committee like deputy Javier Diez Canseco, drew up a list of /104 arrested-missing persons with documented accusations/. These arrest-disappearances took place between July and November 1983.

The delegation met with representatives of the judicial branch like the president of the Supreme Court and the president of the Superior Court and with representatives of the Public Ministry including the attorney general in Lima and the superior and provincial district attorneys in Ayacucho.

FEDEFAM also met with the families in Ayacucho and collected a list of 173 arrested-missing persons in 1983 (ending with the month of December). There were more than 19 cases of disappearances in January 1984--in other words, 192 cases in all. It also met with: Leonor Zamora, mayor of Huamanga; the head of the Ayacucho Bar Association; and the district attorneys. It did not meet with the political chief of the emergency zone, Adrian Huaman Centeno.

As a result of the trip to Peru, it collected the accusations and made them public. In Ayacucho the Association of Families of Missing Persons was reactivated and the Ayacucho Departmental Human Rights Committee formed.

#### Goals and Achievements: It Is Worthwhile

One FEDEFAM leader recalled: The first time we sat down as a federation to analyze disappearances in the different countries, we realized with horror that we had all been given the same responses. We also began to realize how horrible it was that, in countries that are thousands of kilometers apart, exactly the same thing is occurring. We did the same things everywhere and we faced the same problems; /we were in the same struggle/.

In the same struggle. When a relative discovers that he is not alone, that others are with him in the same cause and are organized and fight together, there are greater possibilities of achieving the goal. The goal or the objectives are aimed at stopping and eliminating the flagrant violations of human rights. They are expressed in three basic concepts:

The reappearance alive of the arrested-missing persons;

The investigation of these crimes with punishment for those responsible; and

The elimination of this practice through the adoption of national and international legal instruments like the Convention Against Forced Disappearance of Persons (Second Congress, Lima, Peru, 1982).

It is important to point out that, facing systematic repression, there is not only a national response but a continental awareness. The existence of FEDEFAM itself demonstrates this in practice to those who did not want to believe that there is a common enemy that acts in the same way, with some variations, in different countries. Perhaps before this horrible misfortune occurred, they stayed out of any popular and social struggle.

One of the major achievements of this struggle has been the declaration at different levels (but not all) of forced disappearance as a "crime against humanity." The draft convention states: "Another consequence of declaring forced disappearance a crime against humanity is the refusal to accept the excuse of having acted in proper administrative or military obedience for state reasons during a real or alleged war for reasons of national security."

There is reason to hope which inspires and expands the struggle. The peoples are becoming more aware of the situation and Latin American unity has been strengthened in this cause.

Officially the accomplishments achieved in this struggle until now are:

Repeated resolutions by the Venezuelan Parliament declaring forced disappearance a crime against humanity;

A similar resolution by the Senate of Bolivia and Spain;

A recent resolution (November 1983) by the OAS General Assembly declaring this practice a crime against humanity; and

A UN recommendation to draw up a statement on forced disappearance.

Life is always worth it. You cannot forget or lose hope if it is something worthwhile. Definitely, /justice is worthwhile/.

Editor's Note: We are grateful for the collaboration of the National Human Rights Commission for material supplies. Statistical reports: German Agency DPA.

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CSO: 3348/269

## BRIEFS

BRAZILIAN TRADE WITH ECUADOR--Pursuant to contacts with CACEX /Foreign Trade Department/, with the Ministry of Finance and with the Central Bank, the Ecuadoran delegation--at a meeting held yesterday with businessmen at the Sao Paulo State Federation of Industries--manifested great interest in expanding bilateral trade with Brazil to approximately \$150 million. According to Luis Salazar, undersecretary of the Ecuadoran Ministry of Industry and Commerce, this is because the problem of controlling Brazilian imports--a circumstance which had hindered trade--has been solved. The delegation also urged that Brazilian capital enter into partnership with Ecuadoran capital to import components from Brazil for the manufacture in Ecuador of products that would be exported to third parties. The trade balance between the two countries was sharply reversed in the course of the past 2 years: whereas in 1982 Brazil had exported \$55.2 million worth of goods and imported \$165.1 million, in 1983 exports (mainly of equipment and raw materials) amounted to \$88.5 million and imports (80 percent of which were of petroleum) declined to \$69.1 million. /Text/ /Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Jan 84 p 24/ 10992

CSO: 3342/49

## TIM HECTOR DEFINES ACLM POLITICAL, ECONOMIC VIEWS

St Johns OUTLET in English 23 Dec 83 pp 10-11

[Excerpts] 1834-1984 means that we are, at this point in historical time and space, 150 years up from slavery. It is fitting and right therefore, at the dawn of that momentous year, 1984, that we reflect on the slave system, not so much to dwell on its unspeakable cruelties - others will do that in the course of 1984 - but to contemplate on the legacy of the slave system, and how in our traditional New Year resolutions our first resolve must be to overcome, yes, to overcome this terrible legacy.

As more of the property owners came to reside in Europe, absentee ownership became more and more the general aspiration. The very paucity of numbers in the planter class made the islands socially unattractive for its members, and the absence of the most prosperous the natural leaders of colonial society, made the development of a local community spirit and the provision of social amenities more difficult and less likely."

Clear? Absentee ownership prevented even the development of a community spirit and precluded too, community controlled social amenities. That is abundantly clear, I have therefore provided my point, the persistence, the abiding feature of our history is not slavery, is not representative government through which representation the political class governs in the interest of capital accumulation. The abiding, and continuous feature, the persistent factor in our history is absentee ownership and control.

It is that factor which produced slavery in its particular form, it is that factor which produced and still produces "representative government" black or white, or black and white, which representative government, represents no one except foreign capital.

In other words, independence, or no independence, these West Indian islands have always existed, not for the people who inhabit them, slave in them as slaves or wage-slaves. History itself shows that these Caribbean islands have always existed for the accumulation of foreign profit.

The time has come for these islands to exist for ourselves.

That is why at this juncture, ACLM proposed not a socialist economy in Antigua, but a national economy, based on three pillars (1) the Public sector (2) The Private Sector and (3) The Co-operative sector.

For the question at this time is not overcoming capitalism, but first and foremost, overcoming the root cause of our historical woe, absentee ownership or foreign domination.

Therefore it is not the concentration of economic power in the state through nationalisation which is the answer. It is the concentration of power, economic and political, in the hands of local people which is decisive, and which addresses our historic problem. Otherwise history will continue to condemn us to absentee ownership. With the inevitable result of no capital for our development the resultant high unemployment, increasing misery, and ever increasing flight of people, at greater speed, and in greater numbers from our own native land. The choice is clear. 1984 is the year. Thus, then and therefore, the time has come for a real change.

CSO: 3298/528

**SUGAR INDUSTRY'S DEMAND FOR MORE MONEY CONDEMNED**

St Johns THE STANDARD in English 24 Dec 83 p 1

[Text] According to Mr. Rupert (Rugby) Lake, chairman of the Antigua Sugar Industry Corporation (ASIC) a further sum of \$2.5 million E.C. is now needed by the industry in order for the industry to "achieve its goals set for next year". Exactly what these goals are, Mr. Lake did not disclose. Neither did he disclose whether indeed the goals set for 1983 had been reached.

**Boast of Goals Achieved**

Judging from the high praise showered on outgoing General Manager of ASIC one Mr. Herman Rohlehr, it would appear that as far as Mr. Lake is concerned, the goals set by the ASIC were reached and even surpassed in 1983. But Antiguans and Barbudans will always remember the BLACK BROWN sugar which they were coerced into buying by the ALP Government at the exorbitant price of \$1.15 per pound.

**GOALS OF EXPENSIVE  
DIRTY SUGAR**

The quality of this sugar was such that no Bureau of Standards or any country like Antigua would dare approve it as being fit for human consumption. Sugar of far better quality could be imported here for less than one third of the price for which that sub-standard product was being sold here, yet the ALP Government banned the importation of white sugar to compel Antiguans and Barbudans to purchase a poor quality locally-made sugar.

**SUGAR AT \$1.15 PER POUND**

The gesture of supporting local industry is a noble one, but the standard of the product must be good. Antiguans have been most aware of the fact that the quality of sugar they were sold at

\$1.15 per pound was of an exceedingly poor quality. If this was deemed the achievement of set goals, it means that a further E.C.\$2.5 million are now being asked for to repeat a similar performance. Beside having paid the exorbitant price of \$1.15 per pound for a sub-standard sugar, Antiguans are now being asked to FORK UP \$2.5 million for a repeat performance of a COMEDY OF ERRORS.

**WASTE AND SQUANDER OF  
PUBLIC FUNDS**

This newspaper says to Mr. Lake in no uncertain terms, NO WAY. Sufficient money has already been flushed down the drain in this SUGAR HOAX in Antigua. ASIC is indebted to the tune of some \$20 million. Any further investment in this project constitutes a most wanton and deliberate WASTE and SQUANDER of public funds. This is even more so now that the price of sugar on the World Market is so LOW.

## STRIKE OF HOTEL WORKERS SPOTLIGHTS UNION ISSUES

## Antiworker Action

St Johns THE STANDARD in English 31 Dec 83 pp 1, 3

## [Text]

Over the last few days there has been quite some unpleasantness and unrest in the hotel industry in Antigua and Barbuda. On the island of Barbuda hotel workers there have had to withhold their labour in an effort to obtain certain benefits due to them. Their bargaining agent is the Antigua Trades and Labour Union, (AT&LU).

## STRIKE AT 5 HOTELS

In Antigua, hotel workers at five of the island's leading hotels resorted to strike action against those hotels in protest against the failure of the Antigua Hotels and Tourist Association and the Antigua Employers' Federation to negotiate and conclude with their bargaining agent the Antigua Workers' Union (AWU), a new collective agreement for workers in the hotel industry.

NEW COLLECTIVE AGREEMENT  
LONG OVERDUE

According to an AWU official the last collective agreement expired on December 31, 1982 and that today, December 31, 1983, makes a full year since that contract expired.

EMPLOYERS DEEM STRIKE  
ILLEGAL

The five hotels affected by the strike are Jolly Beach, Half Moon Bay, Anchorage, Blue Waters, and Halcyon Reef. the strike took effect from December 23, 1983, according to the AWU official but

a decision to call the strike off was taken on Sunday evening, December 25. All striking workers were advised to report on their nearest shift due after Sunday evening. When these workers reported for duty their employers told them that they are deemed to have engaged in an illegal strike and as such were considered to have abandoned their jobs. Consequently they would have to re-apply if they wished to be considered for re-employment.

## AWU DEEMS STRIKE LEGAL

The AWU official dismissed the allegation of participation in an illegal strike as unfounded, since at the time of the declaration of the strike the AWU had received no official word from the Industrial court that the matter had been referred to the Court by the Minister of Labour. The AWU official argued that it was only after midday on Wednesday, December 28, that the AWU received official word from the Industrial Court that the matter had been pending before it, by which time the strike had already been called off.

## LEGAL INTERPRETATION

On the other hand, a spokesman of the Antigua Hotel and Tourist Association (AHTA) declared that his Association regards the strike as illegal from the outset, since it violated section 21 of the Labour Code under which any industrial action whether by employer or employee, is strictly forbidden when

once the matter is pending before the Industrial Court. The crux of the matter seems to rest on how the issue of a matter "pending before the Industrial Court" will be interpreted, whether it will be from the time of filing the case with the Registrar, or from the time that the Court itself notifies the litigants of the case, assigning to it the appropriate reference number. This is clearly a matter for the Court to decide and while there is undoubtedly a vast variety of opinions on the point, the final say rests with the Court.

#### **HUGE BACKLOG OF CASES**

The AHTA official maintains however that if the Court finds in favour of the workers and rules that the strike was LEGAL, the workers will be re-instated without loss of pay. But the big question is WHEN this case will be heard. the backlog of cases already before the Industrial Court is a formidable one. The thought of workers having to continue working under a contract expiring since December 31, 1982, until such time that the case is heard by the Industrial Court, is frustrating to say the least.

We of the newspaper urge that every effort be made to speed up the matter and that serious consideration be given toward coming to some sort of interim agreement pertaining to increased wages.

#### **WORKERS' IMPATIENCE UNDERSTANDABLE**

Industrial unrest in the hotel industry is capable of inflicting irreparable damage to the economy of this country especially at this time of year. Workers have nothing to invest but their TOIL, SWEAT and LABOUR. It is understandable that they do become impatient over delays to implement new wage contracts. The size of electricity and water bills people are called upon to pay, plus the increased cost of living generally, make it virtually impossible for workers to subsist on SUBSTANDARD WAGES and WORKING CONDITIONS.

#### **HOTELIER CLOSED HIS HOTEL**

One hotel proprietor reportedly responded to the strike by closing down the hotel and sending his guests to other hotels. Some of the guests it is reported chose to leave the country immediately. This is unfortunate and must be seen more as a deliberate attempt to display MUSCLE and STRENGTH against workers, than to seek harmony and accord in industrial relations.

#### **RELATIONS EMBITTERED**

Industrial disputes will arise from time to time in any Country and particularly in a developing country. Whenever they occur they must be met by an earnest and diligent search for solution. Such drastic and bullying action like declaring the hotel closed serves only to further embitter relations and do further harm to our tourist trade and general economy.

#### **Court Ruling**

St Johns THE WORKERS VOICE in English 1 Feb 84 p 1

[Text]

A strike called by the A.W.U. at 5 hotels during the Xmas Season has been ruled illegal by the High Court. Some 150 employees who responded to the Strike call have been at home since, while the hotels continued oper-

ate normally. There was some inconvenience caused to some of the hotels concerned, and management proceeded to lock out the employees claiming that the strike was illegal.

The matter was taken

o Court and the decision was handed down on Monday 30th January in favour of the Hotel Association.

It is expected that legal action would now be taken by the Hotel Association against the Union. Meanwhile this newspaper understands that the A.W.U. officers who panicked when the workers were locked out and asked to sign forms of new employment, discarding all their years of service previously have in-

structed the workers to return to their jobs immediately, but some hotels had refused to take them back until they have had time to study the Court's decision properly.

Meanwhile George Walter brother Clifford who is an employee at Anchorage Hotel, which was one of the hotel involved continued to work while his brother and the A.W.U. encouraged the less fortunate workers to strike for a paltry \$5.00 per week difference.

#### ATLU Reaction

St Johns THE WORKERS VOICE in English 4 Feb 84 p 1

[Text]

The A.T.L.U after studying the judgement handed down by the court in a dispute with the A.W.U, has issued a Press Release condemning the action taken by the Hotel Association in dismissing all the workers who participated in what the court has labelled as an illegal strike. The A.T.L.U called on the Hotel Association to reinstate the employees immediately without any loss of emoluments. The Union also called on the A.L.P. Government to ensure that the expatriate management of the Hotel Association ceases to further humiliate the unfortunate employees, whose only crime was to obey a strike call issued by their Union.

It is an open secret that the ex-patriate leadership of the Hotel Association

has absolutely no use for Union in this country, and is using the court's ruling of the strike as being illegal to humiliate the workers as much as possible.

The Labour Party Government should never allow the Hotel Association to get away with this callous and immoral act against workers in Antigua and Barbuda.

George Walter and his P.L.M administration who first used the word 'illegal strike' to describe the industrial action taken by Diamond, Cotton and A.P. U.A. workers dismissed them all wholesale, and despite the Courts ruling refuse to re-employ them. He and his misfits were all uncerimoniously bundled out of power after 5 short years. "A wink from Juba makes Betsy understand".

## ACLM ORGAN ASSAILS GOVERNMENT STORY OF CUBAN ARMS, TROOPS

St Johns OUTLET in English 16 Dec 83 pp 1, 2

[Text] The Bird regime, in a ceaseless round of lies, fabricated the existence of a cache of arms, "with Soviet and Cuban markings" which it claimed it had found "off an off-shore island". It never named the island.

This cache of arms was intended to frighten the Antiguan people that the Bird regime faced an immediate threat of military take-over from ACLM.

ACLM Vice Chairman Conrod Luke and General Secretary Harold Lovell at a well attended public meeting at Thwaites Corner last Wednesday December 7 riddled this Bird fabrication of arms "off an off-shore island" reminding that there could be no Cuban markings since Cuba does not produce arms, and showing that "finders are not only keepers, but owners in this case."

A reliable source informed Outlet that no arms were found either on Antigua, or off any so-called Off-shore island.

What was found was an empty Cuban rum bottle and a tin of C rations. These two items were found on Guiana island:

The Antigua government exited by this find of a Cuban rum bottle and the empty C ration tin, concluded that a Cuban battalion had been camping off Guiana island. They immediately called on the U.S. government through the U.S. bases in Antigua to analyse "the military cache".

U.S. military agencies returned an answer that both the rum bottle and the empty food tin, had obviously drifted with the Atlantic current from Cuban boats going to Angola, and there was obviously no danger posed by the empty tin, nor the empty rum bottle. These "arms" were no threat to the security of the State of Antigua.

The Bird regime, which promised the Nation in a prime time news cast, an investigation into the huge cache of arms it found (the empty tin and the empty bottle as it turned out) did not keep its promise to give the public the results of its investigation.

Embarrassed, the Bird regime resorted to another "news" story aired over Radio and Television on Tuesday night. The "news" story claimed that the Americans had found a document in Grenada, which purported to show that "ACLM and other

organisations" in the Caribbean had sent members for military training in East Germany, Libya, the Soviet Union and other Communist Countries."

An ABS Reporter, who also read the news that night, had in the afternoon asked ACLM Chairman, Tim Hector, for a comment on the news story. ACLM Chairman Tim Hector replied "It is well known that ACLM only has abroad members who are University students studying in Cuba. And the names have been published several times by ACLM in Outlet.

"This story about members receiving military training in Eastern Europe or anywhere is the product of some goon's diseased imagination".

ABS carried the "story" about ACLM training soldiers but did not carry the denial given an ABS reporter and newscaster earlier that day.

This News story fabricated by Bird, and presumably, by the Americans in Grenada, makes no sense since only one ACLM member former Outlet Editor James Knight, who attended a Journalists Conference for a week in Czechoslovakia in 1982 has ever been in Eastern

Europe. No ACLM member has ever visited the Soviet Union. And no ACLM member, other than the University students in Cuba have been out of Antigua for a period longer than two weeks.

Political observers believe that this latest story about "ACLM soldiers" is being aired so as to give Bird an excuse to "put away" or "lock up" selected ACLM members.

During ACLM's last public meeting several Ministers including Attorney General Forde, who made the release about the "off-shore arms" and Acting Foreign Minister Hugh Marshall expressed surprise at what they themselves termed "the huge crowd" attending the ACLM meeting. Both Ministers passed through the huge crowd and one was overheard saying "we really face a strong challenge from ACLM."

ACLM Chairman, Tim Hector, also told the ABS reporter that **There has been, and there is no armed struggle in Antigua, and there will be none in this century.** Therefore all this talk about arms and military training of ACLM members **"is so much hogwash".**

CSO: 3298/528

## BRIEFS

NEW SENATE OFFICIALS--The Senate has a new president. He is Mr Gadsby Ramos, a People's United Party Senator. Mr Ramos previously served as Senate vice president. He was elected at a meeting of the Senate in Belmopan last week. Mr Ramos acted as president following the death of the president of the Senate, Mr Lloyd Coffin, in May of last year. The Senate has also elected a vice president. He is Mr Alvan Fuller, a People's United Party Senator. Other members of the Senate are, Mr C.L.B. Rogers who is the leader of Government Business; Mr Juan Chun, Mr Herman Lewis, Mr Manuel Esquivel, Mr Elodio Aragon, and Mrs Elvira Searle. [Text] [FL081637 Belize City SUNDAY TIMES in English 29 Jan 84 p 2 FL]

CSO: 3298/1134

## INFLATION EXPECTED TO EXCEED 8 PERCENT IN JANUARY, THEN DECLINE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Dec 83 p 20

[Text] Despite the fact that the rate of inflation for December was 7.6 percent, SEPLAN [Secretariat of Planning] is forecasting a higher rate (above 8 percent) for January as a consequence of the large volume of money that entered the economy in the last 10 days of the year. When this impact has been absorbed, however, the rate of inflation will decline in February and March, with the result that the cumulative rate for the first quarter of 1984 will be lower than the rate for the corresponding period in 1983.

According to the economic advisers of the Ministry of Planning, in a month-to-month comparison the rate of inflation for January 1984 will probably be below the 9 percent rate recorded in January 1983, and in February 1984 the February 1983 rate of 6.5 percent will be exceeded by at least one percentage point; but the difference in favor of the March 1984 rate vis-a-vis the March 1983 rate will be much greater, for in March 1983 the rate of inflation was 10.1 percent. For his part, Akihiro Ikeda, director of the Economic Advisory Council of SEPLAN, declares that he does not yet have the data on which to base a forecast of the cumulative rate of inflation for the first quarter of 1984 but insists that it will be below the 27.9 percent recorded in the period January-March 1983.

The reason for the optimism on the part of the economic advisers of the government with respect to the reversal (albeit slow) of the inflationary process--with results already visible in the first quarter--is the behavior of food prices, which has considerably reduced the pressure on the rate of inflation, especially since November.

According to Milton Dallari, special secretary for supply and prices, this trend is expected to intensify during the initial months of 1984, not only because of the prospects for a good harvest, which represent a disincentive for the formation of speculative inventories (and accordingly increase the supply of goods in the market) but also because of the government's determination to continue managing the increase in food prices by means of agreements with producers, wholesalers and retailers.

## CACEX ISSUES RULES GOVERNING IMPORT PROGRAMS IN 1984

Rio de Janeiro GAZETA MERCANTIL in Portuguese 17-19 Dec 83 p 3

/Text of CACEX regulations concerning import permits for 1984, with foreword by Suely Caldas: "The Pressure on CACEX"/

/Text/ Rio de Janeiro--During the 5 work days of last week--when the suspension of the import permits was in effect--the Department of Basic Materials (DEMAB) of CACEX /Foreign Trade Department/, which has responsibility for managing the importation of producer goods and raw materials, received approximately 300 urgent requests and granted approximately half of them, our newspaper was informed on Friday by Pedro Ferreira, superintendent of DEMAB.

This CACEX official acknowledges that there is pressure in the form of complaints from companies that believe they have been harmed by the sudden suspension of the issuance of import permits, but he believes the measure was necessary "in order to consolidate the data for 1983 and thereby ensure that the process of approving import programs in 1984 will go forward smoothly." Within the structure of CACEX, the majority of requests for import permits are handled by DEMAB, and Pedro Ferreira said that its personnel are working 12 to 14 hours a day "so that no truly essential request will be refused. Our instructions," he said, "are to do everything possible to ensure that no industry will have to shut down for lack of raw materials or repair parts."

Pedro Ferreira said he had lost count of the number of telephone calls he received last week, but believes that the worst of the pressure has already occurred and that this week will be much calmer. "Anyone who has already waited a week can wait another week and have his permit issued in 1984," he argued. There were various reasons why CACEX approved almost 150 requests for permits last week, but all the companies were required to prove absolute necessity, either because the product in question was already in the process of being shipped or because its price would be increased on 1 January. The concerned parties, however, were required to produce documents to verify shipment of the product in question and also the amount of said product that it currently has on hand. Only if they produce these data will CACEX rule on the validity of the request. Pedro Ferreira says that the 150 permits approved range between \$800 and \$10,000.

The Foreign Trade Department of the Bank of Brazil (CACEX) on Friday issued Administrative Order No 66, which establishes the norms for the import programs of individual enterprises during 1984. Following is the full text of the order:

## 1. Presentation of Programs

1.1. All parties interested in importing goods during 1984 must submit, during the month of January, an import program accompanied (when indicated) by an annex and other data.

1.1.1. Companies and governmental entities that desire to import, in 1984, goods valued at no more than \$10,000, including within this limit the value of any credential letters requested for the purpose of obtaining an exemption from the "permit for the importation of parts and accessories"--in conformity with Item 26 of Annex A of CACEX Administrative Order No 56, dated 12 August 1983--are exempt from this requirement.

1.1.1.1. This exemption is not applicable to products of DEALI /Food Products Department/ of CACEX, which products are enumerated in Annex I of the present administrative order.

1.2. Programs that meet the conditions cited below must be accompanied by a detailed annex, to be submitted on a form done in quadruplicate and containing an itemized account of the products in question: a) imports that are on behalf--and at the order--of the government, regardless of the nature of the products; b) imports comprising products listed in Chapters 01 to 81, inclusive; Chapters 94 to 96, inclusive; Chapter 99; and Position 83.15.

1.3. All interested parties must also submit (when indicated) the following information: a) a list of the machinery to be imported, accompanied by a justification of the necessity for its importation and an indication of the form of payment (external financing, investment of foreign capital, commercial leasing, and so forth); b) an enumeration of the imports that are incorporated into projects already approved by development agencies of the government; and c) a list of those imports that are subject to prior approval by other Federal agencies such as the Special Secretariat of Informatics (SEI); the Civil Air Transport Commission (COTAC); the National Petroleum Council (CNP); and the Superintendency for the Development of the Rubber Industry (SUDHEVEA)--together with an indication of the products, values and orientations of the program in which said imports are included.

1.4. In the case of a company registered in Category 10 (production-oriented companies), the export commitment undertaken in Area 73 of the aforementioned program form must relate to goods that the company produces or that are intimately linked to its product line.

1.4.1. A concise statement of the products to be exported must be annexed to the program and must indicate the chapter of the NBM /expansion unknown/ in which said products are classified, together with the respective values.

1.5. The program and its annex, together with the information indicated above, must be submitted by the parent company to the agency in whose register of exporters and importers it is entered.

1.5.1. Those entities that are an integral part of the government must submit their respective programs to the agency of the CACEX group to which their requests for import permits are customarily submitted.

1.5.2. Commercial export ("trading") companies registered in Category 30 must submit their programs to the agency of the CACEX group where the bulk of their imports are concentrated.

1.5.3. A company that is authorized to obtain import permits in more than one agency of the CACEX group must fill out an import program form for each agency that issues such permits. In such cases these programs must be entered on another program form that will consolidate the totality of the operations involved in said programs and that will then be submitted--together with the first-named forms--to the agency where the company in question is registered.

## 2. Filling Out the Forms

2.1. The forms (program and annex) must be filled out in accordance with the norms set forth in Annexes II and III of the present administrative order, and the following instructions must be observed: a) all copies of the program form must be filled out at one time, must use carbon paper, must be free from erasures or corrections, and must be perfectly legible; b) each annex form must be submitted in quadruplicate, with the pages numbered in sequence; c) the amounts entered in both forms must be stated in thousands of U.S. dollars, disregarding all fractions.

2.1.1. If the transactions are conducted in currency other than the U.S. dollar, the corresponding conversion must be made.

2.1.2. In cases where--in filling out the annex to the program--it is completely impracticable to indicate the applicable item in the schedule, CACEX may accept a more generic identification of the products to be imported.

## 3. Examination of the Import Programs, and Notification of Decisions

3.1. In its examination of the import programs CACEX shall establish individual limits, reconciling the needs of the concerned enterprises with the goal set by the government for imports during 1984. These limits shall be established in accordance with the criteria stipulated in Item 3.2 of CACEX Administrative Order No 56 dated 12 August 1983.

3.1.1. The results of this examination shall be communicated to each interested party by the same agency to which the program was submitted.

3.1.1.1. In the case of a consolidated program the parent company shall receive the data pertaining to the overall monetary value approved from the agency where said company is registered; its affiliates or units authorized

to operate within the jurisdiction of other agencies of the CACEX group shall be informed--by the agencies issuing the import permits--of their respective individual limits.

3.1.2. The communication mentioned in Subitem 3.1.1. above may be transmitted either at one time or in several installments indicating partial values, depending on whether the program encompasses products of the area under the jurisdiction of one or more marketing departments of CACEX.

3.2. CACEX shall reexamine, in the course of the fiscal year, any requests submitted for increases in the previously established limits. The concerned companies must support their requests in a letter which shall contain, as a minimum requirement, the following elements: a) the figures for exports and imports (permits issued and actually implemented) to date; b) the reasons for any differences between the value of imports effected in 1983 and that anticipated for 1984; c) the destination of the products to be made from the producer goods to be imported pursuant to the increase requested; d) for those items falling within the jurisdiction of DEMAB, submit (when indicated) a technical report--or a report authenticated by a professional entity--affirming the lack of any domestic products that could substitute adequately for the goods whose importation is requested; and e) submit (when indicated) an annex in quadruplicate (see Item 1.2) for those products that are the object of the request submitted.

The "Drawback" System Will Not Be Subject to the Restrictions

#### 4. Issuance of Permits

4.1. In submitting requests for the issuance of import permits, the interested parties must observe the general rules governing imports.

4.1.1. Area 13 of the import permit must without exception be filled out in accordance with one of the following codes, depending on which of the marketing departments of CACEX--DEALI (Department of Food Products), DEMAB (Department of Raw Materials and Basic Producer Goods), and DEMEQ (Department of Machinery and Equipment)--has jurisdiction over the products in question: Code 18-3, itemization: Machinery, equipment and apparatus--complete or incomplete--that are destined to become part of the fixed assets of the importer and are classified as NBM items under the jurisdiction of DEMEQ. Code 19-1, itemization: Parts, accessories and components that are destined for the repair, replacement or maintenance of machinery, equipment and apparatus that are part of the fixed assets of the importer; forms and dies; and other goods that wear out rapidly, are essential to the production process, do not become part of the final product, and are classified as NBM items under the jurisdiction of DEMEQ. Code 20-5, itemization: Parts, accessories and components that are destined for the repair, replacement or maintenance of machinery, equipment and apparatus that are part of the fixed assets of the importer; catalysts; and other goods that wear out rapidly, are essential to the production process, do not become part of the final product, and are classified as NBM items under the jurisdiction of DEMAB. Code 25-6, itemization: Components, parts, accessories and subassemblies--finished or unfinished--that are used in the production process

of the importer and are classified as NBM items under the jurisdiction of DEMEQ. Code 26-4, itemization: Raw materials and other producer goods that are integral parts of the production process of the importer and are classified as NBM items under the jurisdiction of DEMAB. Code 27-2, itemization: Raw materials and other producer goods that are integral parts of the production process of the importer and are classified as NBM items under the jurisdiction of DEALI. Code 29.9, itemization: Machinery, equipment and apparatus--complete or incomplete--and durable consumer goods that are destined for resale and are classified as NBM items under the jurisdiction of DEMEQ. Code 30-2, itemization: Parts, accessories, components and subassemblies that are for resale and are classified as NBM items under the jurisdiction of DEMEQ. Code 31-0: Raw materials and other goods that are for resale and are classified as NBM items under the jurisdiction of DEMAB. Code 32-9: Raw materials and other goods that are for resale and are classified as NBM items under the jurisdiction of DEALI. Code 91-4: Wheat. Code 92-2: Crude oil.

4.2. Each import permit may contain only one code in Area 13. When it is a question of products under the jurisdiction of DEMAB that are considered to be components or items of technical application and are included in import permits in which products under the jurisdiction of DEMEQ predominate (that is to say, represent a minimum of 90 percent of the value of the permit), Code 19 or Code 25 (as applicable) may be adopted for the permit as a whole.

4.3. During the first quarter of 1984, while the company programs are still undergoing examination, CACEX shall issue provisional import permits to meet the needs of the companies. The amounts of these provisional permits shall be deducted from the amounts that are ultimately approved.

4.4. Import permits based on the "drawback" system shall be issued on the basis of the corresponding concessive actions approved, without any restrictions relating to limits established in the import programs. For purposes of forecasting and overall coordination of imports, however, the values of imports under the "drawback" system must be provided for in the corresponding program (lines 53, 54 and 55).

4.4.1. Whenever the total of permits issued exceeds the value estimated for this type of operation in the import program (lines 53, 54 and 55), the company in question must update its estimate to cover the total requirements for the fiscal year.

5. The provisions of the present administrative order shall not apply to imports that are of interest to companies established in the Manaus Free Zone and are effected under the provisions of Decree-Law No 288 dated 28 February 1967.

6. CACEX Administrative Order No 80/35, dated 29 December 1980, and Subitem 4.1.6. of CACEX Administrative Order No 56, dated 12 August 1983, are hereby annulled.

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CSO: 3342/49

## EARLY CROP LOSSES MAY REDUCE PROJECTED EXPORT PROFITS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Jan 84 p 23

[Text] Rio de Janeiro bureau--The share of total Brazilian exports for 1984 that corresponds to agricultural products--principally in the form of the value added to manufactured and semimanufactured products--could amount to 60 percent or more and represent a dollar value of \$14.7 billion, if total sales attain the government's estimate of \$24.5 billion. This projection should not lead to euphoria, however, because the soybean and corn crops in Rio Grande do Sul have already suffered losses from the drought.

This estimate was made yesterday in Rio by Hugo Barros de Castro Faria, coordinator for circumstantial affairs of the Foundation for the Foreign Trade Studies Center (FUNCEX). Large crops are forecast; according to data obtained by government agencies they could total between 50 and 55 million tons in 1983. Hugo Faria believes, however, that a matter which should be treated objectively must not be regarded as an accomplished fact, in order to avoid frustrations. He pointed out that the drought is affecting the soybean plantings in the South and that a loss of from 500,000 to 800,000 tons of the crop could result. In the same region the corn crop could be reduced by 1 million tons, and for the same reasons.

Hugo Faria also concluded that if it does not rain in Rio Grande do Sul by the end of the month, these problems could indeed materialize, causing the planners to review the goals set for the export of agricultural products.

## Surpluses

Brazil has no surpluses continuously available for export, for its surpluses are obtained from current production. Commenting on this situation, Hugo Faria declared that the moment production falls behind the forecast amounts, sales targets become somewhat vulnerable. He said the government is forecasting a 21 million ton corn crop and a 15.5 million ton soybean crop.

Turning to the prospects for receipts in 1984, Hugo de Faria said that Brazil could obtain--from only nine agricultural products--\$2.3 billion in additional export receipts by comparison with the corresponding figure for 1982 receipts.

He said the government is counting on increased sales of primary products, and also anticipates that the prices for these products will increase moderately.

Table 1. Brazilian Exports of Agricultural Products in 1984 (in millions of U.S. dollars; all figures are estimates)

<u>Product</u>	<u>Exports in 1983</u>	<u>Increase in 1984</u>	<u>Total exports in 1984</u>
Soybeans (complex)	2,600	800	3,400
Cacao	550	200	750
Coffee	2,300	200	2,500
Orange juice	550	250	800
Beef	600	100	700
Chemical-process wood pulp	310	80	390
Tobacco	500	50	550
Sugar	550	300	850
Dressed chickens	250	50	300
Total	8,210	2,030	10,240

#### CFP Calculates Crop Declines in South

Porto Alegre bureau--The statistics concerning the effects of the drought that for 30 days has interfered with the summer agricultural operations in Rio Grande do Sul not only keep changing but also are not perfectly consolidated, according to the sources that provide these data. Technical experts of the Production Financing Company (CFP) who traveled to the interior of the state to evaluate the damage to agriculture have not yet concluded their survey. The Technical Assistance and Rural Extension Enterprise of Rio Grande do Sul (EMATER/RS) is also waiting for more recent information before providing a definitive appraisal of the situation.

The crops most adversely affected have been corn, soybeans and beans. According to Carmine Rosito, director of research and technical assistance of FECOTRIGO [Federation of Brazilian Wheat and Soybean Cooperatives], a decline of 25.1 percent in the corn crop is forecast, representing a decrease in Rio Grande do Sul's production from previous forecasts of between 4.1 and 4.8 million tons to slightly more than 3.6 million tons. This is not the forecast of EMATER technical experts, however; Paulo Ebling Rodrigues, technical director of the enterprise, does agree that the final figure for production will probably be about 3.6 million tons but says this would represent a 10 percent decrease in the total crop.

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CSO: 3342/49

## GALVEAS ON CONTINUED HIGH INFLATION, IMF TALKS, RESERVE MARKET

Brasilia CORREIO BRAZILIENSE in Portuguese 19 Feb 84 p 19

[Text of interview with Ernane Galveas, minister of finance, by Jurema Baesse and Eduardo Brito, for CORREIO BRAZILIENSE on 1 March 1984 in Brasilia]

[Text] The delay in the expected drop in inflation is becoming an "enigma" and a "challenge," not only for Brazil's economic authorities but for academics and international economists, Finance Minister Ernane Galveas admitted yesterday in an exclusive interview with CORREIO BRAZILIENSE, in which the topics ranged from inflation to the IMF and even the protected computer market.

According to Galveas, "there is really something mysterious about the inflation, a certain failure to respond to all the measures that have been taken to combat it." This is certainly the biggest obstacle Brazil is facing now, and it is beginning to "despair" at the persistent high inflation. Minister Galveas stressed that inflation will not effectively surrender unless we manage to de-index the entire economy; that is, as the minister prescribed, "to unlink the monetary and exchange correction and the wage adjustments from the price indexes of the Getulio Vargas Foundation [FGV]. But there is no political will to do this," Galveas felt.

From inflation, the interview moved to the Monetary Fund, which was not difficult because the two things are intertwined. The IMF is there, but the goals are being defined and, for better or worse, Brazil is making an effort to keep to the program and to remain within the established model. "We are passing the IMF tests," the minister said.

The protected computer market was also a noteworthy item in the interview with the minister. According to Galveas, the days are numbered for the protected market. "Not during this government," Galveas predicted, "it is really a problem for 1985."

[Question] Mr Minister, you have already said that all the mechanisms to control inflation have been applied and it is technically surprising that this is happening and that inflation is not giving way. And now Minister Delfim himself,

in a meeting with businessmen, has voiced the same astonishment. In other words, is there some idea that the manuals and economic theories are missing some pages when it comes to Brazil?

[Answer] Actually, what is happening with inflation in Brazil is a great challenge for the economists, for the academics. We are employing a whole arsenal of economic measures to combat inflation. We have given up the subsidies, except for wheat; we have reduced the deficits in the state companies; we are cutting back on the expansion of financing for the public sector, primarily the states and municipios; we are controlling the expansion of the money supply; we have applied strict controls on the expansion of the monetary budget; we have readjusted interest rates to eliminate the subsidies implicit in rural credit and in credit for exportation. In fact, we have taken every measure that all the economists who have met with us and have analyzed the Brazilian economy would have taken in our place. We have had occasion to sit down with the economists of the great world banks, on the Advisory Committee and the Banking Committee, which consists solely of economists from these large international banks. They have examined our accounts with us; they have analyzed our policy and have concluded that we have adopted all the right measures. The IMF, the World Bank, the Inter-American Bank, all of them have studied the Brazilian economy and they are also perplexed at the situation, an inflation rate of 200 percent, not adjusted, or adjusted, a much lower rate, on the order of 170 percent, but against a monetary expansion of 90, which really reflects the firmness and determination of the authorities not to feed the inflationary process, through credit, through the money supply. The conclusion, in general terms, is that the Brazilian system of generalized indexing actually tends to maintain inflation at the higher levels, although we are controlling prices based on 80 percent of the inflation rate and, pursuant to Decree-Law 2,065, wages are adjusted on an average of about 87 percent of the INPC [National Consumer Price Index]. The fact is that, in the market, each of these factors feeds the other ones. The monetary correction, wages, interest rates, the exchange rate, are elements that follow one from the other and tend to maintain inflation at a very high level. Really, when you examine the inflation problem from this standpoint, it is even somewhat surprising that, at certain times, the inflationary spiral has not gotten away from the monetary authorities and gained extraordinary impetus, as has happened in other countries which have had inflation rates of 300, 400 percent. I think that, despite all this, Brazil's inflation is under control. In other words, an inflation rate of 170 or 200 percent, depending on whether you want to analyse the adjusted or the unadjusted figures, but an inflation that is under control, from the standpoint that the fiscal and monetary measures have been adopted and are not feeding the process.

[Question] Minister, I think it may be the case of the riddle of the sphinx: "Decipher me or I will devour you." That monetary restriction last year of 90 percent expansion of the base, with an inflation rate of 200 percent. It could be asked what is really the point of this path, contracting the base, contracting credit, hoping for a decline in inflation, which does not happen. There is even a kind of despair, inasmuch as you have done everything and the inflation does not give way. It is beginning to be almost a mystery in Brazil, if you have all the mechanisms and...

[Answer] There really is a certain amount of mystery, a certain lack of response to our theoretical knowledge of these problems. But we also know that at times of high inflationary expectation or times of recession, the measures sometimes take longer to produce effects; it could take 8 months, even 10 months, for the fiscal and monetary policy measures to be fully effective. This may be the case in Brazil. So it would be a matter of being patient, of not abandoning the policy, of holding to this economic strategy, of sticking with the fiscal policy and the monetary policy until the results appear.

[Question] But in sticking with the monetary policy, for example, is it a question of not abandoning it or of making it stricter?

[Answer] This issue of greater strictness, in my opinion, is uninformed. We have all the parameters in place, already published in the monetary budget. We are absolutely not tightening the monetary policy or the rules set for the financial system as a whole. On the contrary, we have modified the system of savings accounts, to speed up home financing. We have reduced the periods of the CDB's [Bank Deposit Certificates], also to mobilize and dynamize the housing market. We have created several other facilities to make the financial system operate more freely. In recent months, then, there has been no indication that the government is tightening control of the fiscal or monetary policy. The measures that were adopted are being implemented. They are harsh; they are strict. Taxes were increased, primarily in the area of legal entities and financial institutions. Monthly payments have been readjusted, corrected; sectors that were not taxed are now taxed, such as open market operations, certain professional services. The fiscal policy was tightened because we felt that, with the high inflation, the tax charge was diminishing. So we are restoring the previous tax burden. This is a problem that has already been worked out. The measures are already in effect; we are simply implementing the program. The same thing is true of the monetary area. Nothing has been changed since those meetings and the basic decisions of the Monetary Council for 1984.

[Question] Mr Minister, you said there was some mistaken information about whether there was a breakout or not, about whether the government would be even stricter or not. But, pursuing the reasoning that the monetary base was expanded by 5 percent in January, when it was forecast that it would be only 2 percent for the entire quarter, we can project and see that there was really a breakout, or a small "detour," as Minister Delfim called it. We also have the cuts in the operations of the Bank of Brazil. In January, it was to be cut more than \$200 billion and it was only possible to cut a little over \$140 billion. In other words, this cut will be transferred into February, for which there is also a program, and the cuts will pile up. What could not be achieved in January will be achieved in February and, if that is not possible, go to March. So if there is no tightening, no restriction of credit, will it be possible to achieve the intended goal?

[Answer] Yes, it will be possible. First, because the importance of this expansion of 5 percent in January is very relative. The base is a statistical concept which includes demand deposits in the Bank of Brazil, issues of paper money and the bank reserves. In contradiction to all the objectives of the monetary policy, when the reserves are expanded in the banks, the Bank of Brazil and the Central Bank, the base is also expanded. When the deposits are increased in the Bank

of Brazil, the base is expanded. So the base is not a precise concept; it is not a fixed concept. But, in any event, it is influenced by movements from month to month or end-of-month movements. We had a problem at the end of January with the expansion of the base, actually the result of things that happened at the end of December 1983. Then there are some problems on the fiscal side and in the transfer of the bank deposits in 1983, which were transferred to January. There is a problem of exchange accounts, mainly linked to the change in the composition of the PETROBRAS [Brazilian Petroleum Company] prices. What was previously entered on lines "a," "b" and "c" began to be done in terms of the IOF [Financial Operations Tax]. This change led to action in the PETROBRAS exchange accounts and a corresponding change in other accounts, which are basically responsible for these deviations in January. In compensation, you are going to see the following: that the behavior of the treasury accounts, which should be zero in January, came to 400 billion cruzeiros. And in February, when they should have come to 400 billion cruzeiros, they should be above 800 billion, close to 900 billion cruzeiros. These receipts do not mean a bank surplus. This is not going to lead the government to any expanded spending, because they are receipts which evolve from one month to the next. The most important thing is this: working with quarters from January to March, the behavior of the treasury accounts, the behavior of the fiscal policy, convinces us that the goals will be met, they will be achieved.

[Question] You spoke of the problem of inflation and the problem of indexing. Is it possible to meddle more with the indexing; in other words, to accept the IMF recommendation to take more drastic action in the monetary correction?

[Answer] The IMF has made no such recommendation. This is our area, our responsibility, our initiative. Generally speaking, the Fund does not intervene in Brazil's domestic economy, in Brazil's domestic policy. They examine with us the quarterly goals of the fiscal policy, the monetary policy, to reconcile these goals with a macroeconomic policy to combat inflation, to strengthen the balance of payments. But these things are our responsibility. I really feel that the system still needs some radical readjustment. I believe that the wage policy is really at the base of this process. Many people, many experts talk about de-indexing, thinking of diminishing the monetary correction, the ORTN [National Treasury Readjustable Bonds] readjustments and such, but this is only a half-sole job, it is not a final solution. I feel that if we are thinking of de-indexing, it would have to be a program that would encompass all areas, in every sense, beginning with wages, the exchange rate, monetary correction in all sectors, subject to monetary correction. If, for instance, we could get the approval of the general public, political support from the congress to carry out a reform of this kind, I think we could bring about these radical changes. But the political will must be there to do it. The problems we had with the passage of Decree-Law 2065 in the congress gives some idea of the obstacles that would have to be overcome to carry out a program of this type. As long as this is impossible, we have to live with the limping gradualism that exists today in the Brazilian economy, because this is what is available to us. We would have to revise our thinking; we would have to rethink the whole program. I cannot say whether it would be a readjustment line by line, here or there. We would have to rethink the whole problem and unlink the monetary and exchange correction, wages readjustments and the price indexes of the Getulio Vargas

Foundation. In other words, at the moment when it is possible to break the link between the FGV price indexes and the correction indexes, then we could have a decline in inflation, but to do this we would have to rethink the whole strategy for combating inflation.

[Question] What parameters would the indexes have then?

[Answer] I don't know. Either taxes or containment. There have been suggestions to tax these inflationary gains. There is Mario Simonsen's suggestion to have a linear reduction; there are various suggestions. But we cannot attack the problem without a change in the strategy to combat inflation, if there were some receptivity, if there were the means, if there were some political support for it.

[Question] Can we say that the Figueiredo government really lost the battle against inflation?

[Answer] No, I don't think so. We are in a period between the adoption of the measures and their results, which should emerge before long. I have no doubt that we are still suffering from the effects of the poor harvest and the calamities of last year. When the new harvest begins in April, the inflationary expectations will undoubtedly begin to change.

[Question] What goal was set for inflation in Brazil's new letter of intent to the IMF?

[Answer] This was not defined. This is one of the last things we determine. We work with the possibilities of higher or lower inflation, because this is important in fixing the parameters for the public sector, for the expansion of credit and so on. But these figures which are offered will be revised, possibly with the same parameters that were used for the letter of last December.

[Question] Mr Minister, will the expansion of the monetary base (currency emissions) and the means of payment (money in circulation plus demand deposits in the banking system) have to be reviewed now with the IMF?

[Answer] We have not begun yet. We have had a preliminary meeting in which we examined the behavior of the accounts in 1983 and found, to our satisfaction, that we are really passing all the tests. All six tests in the letter, all six, let us say, of the six objectives in the letter of intent were met. Those that were not, such as international reserves, foreign debt, domestic credit, were changed; there were factors beyond our control, independent of our will, and this led to an automatic "waiver" by the IMF. This is what we have done to date. Now we will have to review the accounts of the state companies; we will have to wait a while, to see the trend inflation takes in February and March.

[Question] Minister, this mission is working on the basis of the goals of the next two quarters. But has there been any thought to revising some goals for this quarter?

[Answer] Undoubtedly, there are always some adjustments to the figures, as occurred last year. Last year we revised the figures and reached the end of the year with different figures from the ones that had been previously established.

But this is part of the negotiation with the IMF. We periodically sit down with the IMF advisory committee, just to review the figures. We adjust the figures according to the policy and the developing situation. There is absolutely no extravagant change in the figures. This is why we are going--why we keep repeating letters of intent. But we have to make a distinction between the first letter of intent, which established the Brazilian program, the goals, the economic policy directives for the next 3 years. Back in 1982 we negotiated a 3-year program with the IMF and we provided the directives for the economic policy and strategy that we would adopt to adjust the balance of payments and reduce inflation--therefore, to add to the formation of domestic savings and to restore the Brazilian economy to suitable growth. These are the basic principles that are set down in the first letter of intent. Since then, the subsequent letters of intent have been different. By their nature they are different from the first one, because they only adjust the figures according to the behavior of the economy and the development of the domestic and foreign situation. So there is nothing strange about the fact that we are signing a fifth letter of intent and that at the beginning of the second half of the year we may really work out another letter of intent to establish the year-end figures. That is the program and how it works.

[Question] The public sector deficit, for example--will it be changed?

[Answer] The present goals will be maintained precisely, to reach the end of 1984 with a small surplus in the public sector accounts. In real terms, the so-called operational deficit. This has not changed and there is no intention of changing it.

[Question] Minister, turning again to inflation. With the monetary budget, you will be working with an inflation estimate of 75 percent [sic], a really bogus estimate for this year.

[Answer] The average inflation for 1984, compared with the average for 1983.

[Question] But the average inflation last year was almost 150 percent.

[Answer] Depending on what figure you take, because there are two inflation rates for 1983. An adjusted inflation--you will see that this is about 170 percent--and another one, an unadjusted rate, a rate that includes the whole exchange rate, all the agricultural price increases, but the average rate is actually much lower.

[Question] The businessmen in Sao Paulo are already talking in terms of 12 percent in January.

[Answer] I think this is very bad. I think this speculation about the high inflation figures ends by bringing inflation up to those figures. They go around creating expectations and I think that this system of premature pronouncements pushes the economy to this inflation.

[Question] The question of the liberation of the jumbo loan is getting more and more like a novel. When it seems that everything is being liberated, there appears...

[Answer] To us, no. We are precisely within the program. For us there have been no changes. We are continuing to work with the advisory committee on the assumption that everything has been done and we will be granted the first \$3 million after the first week in March. This delay is natural when you are bringing 600 banks, the entire world, together to sign the commitments for the four projects. So I don't believe there is any problem. Formal problems, problems of signatures, problems with proxies, problems of the decision of the directorates of each bank. There are lots of complications which are very time consuming. This has happened with Mexico, with the Philippines, with Argentina, with Brazil. It is really a problem of an operation that takes in so many interests, such diverse geographic areas and so many banks. But it was always assumed, it has always been more or less scheduled that since there were these, let us say, administrative problems, the loans were scheduled for March.

[Question] And are some banks resisting, in the sense of waiting to receive some back payments from Brazil?

[Answer] All the banks know that our outstanding payments are related to this delay. They are all aware of this; they know that the payments will be brought up to date when the loans are released. This is nothing new.

[Question] Is there no expectation whatever of a spot loan?

[Answer] Absolutely not. This has never entered into it.

[Question] It was reported yesterday on television, from New York, from Washington, that some banks were expecting...

[Answer] There is no foundation for this. Wait until March, when the loans will be released and all this talk will end.

[Question] What is happening with the back payments? Brazil closed the year with relatively large outstanding payments and the non-liberation of funds only raised the levels, adding to the trade balance.

[Answer] No, the trade balance has given us the resources to maintain the back payments at the level where they had been 3 months ago. We still have outstanding payments of about \$1.8 billion. And today the situation is more or less the same as it has been for 3 months.

[Question] Is there some expectation of a new mission? Will it be in this half-year?

[Answer] It should take place in August. But we are in continuous contact with the IMF, so we could have contacts before this second mission. But the routine program is more or less as follows: periodic visits by officials who maintain major contact with us and, after this full mission, possibly another mission in August.

[Question] The Sao Paulo Trade Association is claiming that the monetary squeeze is coming just at a time when the companies need more floating capital to handle the increase in taxes. And that this could presage an increase of about 300 percent in compositions.

[Answer] Here, too, I think these reports have no basis in reality, in what is really happening. As you yourself mentioned, the planned cutback in the monetary budget, in the Bank of Brazil, was even larger than what took place in January. And there are greater conditions in some areas than in other areas, but this also develops monthly. Sometimes the export financing is increased and financing in other areas is reduced, but this is planned, this adjustment is made within the monetary budget itself. It is part of the administration of the financial policy.

[Question] To be an exporter in Brazil, do you have to be a "friend of the king," as Carlos Viacava, director of CACEX [Foreign Trade Department of the Bank of Brazil], said?

[Answer] I think this was a turn of phrase by Viacava, but a truly unfortunate turn of phrase. Brazil has no king. The finance minister does not authorize exports. The finance minister does not have any businessmen as relatives. I have a brother-in-law who retired from the Bank of Brazil several years ago; he has nothing to do with this. I mean to say, if Brazil has no king, if the finance minister does not issue export permits and if he has no relatives in the foreign trade area, how do you explain that Brazil increased its exports of manufactured products by 24 percent in January and that Brazil's exports are growing at a rate of almost 10 percent per year? There is centralization in CACEX, and people know it exists. But this centralization is a consequence of difficulties with the balance of payments, foreign markets, domestic inflation, which dictate certain controls to insure domestic supplies. And we have to deal with this gradually, through debureaucratization measures and by reducing the regulations, circulars and resolutions. Because we are trying to eliminate this. It depends a great deal on CACEX. CACEX must recommend measures. So a great effort is being made to decentralize, to reduce the government interference in the export area, but it is a job that takes time.

[Question] But a parade of businessmen has gone to Brasilia with specific demands in the export sector. For example, Rocha de Freitas, of Abinee, was recently here and at the Domestic Trade Ministry; his idea is that it is not enough to maintain the pace of sales on the domestic market. And he would like a new type of incentives for exportation. Many other businessmen have presented this same demand. Is some new incentive possible?

[Answer] No. The incentives are there. The government is not going to create any new incentives or withdraw the old ones. We are only dynamizing the process, promoting greater contact with the exporters. It is a matter of information, of clarification, of promoting exports, but with the tools that we have. We have the full credit, we have the tax exemption for exports, we have favorable interest rates--this whole combination of things in support of exportation, along with an extremely aggressive exchange policy. We had the devaluation of March 1983 and we are not losing a millimeter of this devaluation. On the contrary, we are continuing to make small real devaluations every month, because the devaluation accompanies domestic inflation and does not make allowances for international inflation. Therefore, by every means, we are making a small real devaluation on top of the devaluation of February 1983. The combination of measures in effect today is really enough to maintain a growing level of exports, primarily in the area of manufactured products, which is performing

very well, which is expanding, even though in 1982 and 1983 we lost over half the new markets--Mexico, Venezuela, Argentina, Chile, Paraguay, Uruguay, Nigeria, Angola, Mozambique, Poland, Hungary, Romania, Algeria, Morocco. Even so, our exports of manufactured items are increasing. In relation to January 1983, they have risen 24 percent. So there is no big problem in the export area.

[Question] Mr Minister, isn't the next Monetary Council going to authorize the creation of consortia among exporters? Isn't this a new incentive?

[Answer] We are seeking ways to encourage exporters, principally small exporters with potential, to organize in consortia. The idea is to create mini-trading companies. The entire government is engaged in the campaign to expand exports, which is the most important problem in Brazil today, aside from combating inflation.

[Question] Regarding the exchange policy, the businessmen note that the Brazilian cruzeiro is devalued in relation to the dollar, which is continuously increasing in value in relation to European currencies. So there would be a slight loss of incentive to the extent that...

[Answer] But there we have a problem. Almost all our exports are based on the dollar. And the international price quotations for primary products are generally based on the dollar. Those quotations are going up; they are not declining. So this problem is really offset by the fact that the international prices for commodities are in a rising trend and they are negotiated in dollars. Regarding exports of manufactured items, the United States is our principal market and there this problem does not exist, because our devaluation is made in relation to the dollar. Today we are selling more than 30 percent of our manufactured products to the United States. Actually, we are somewhat affected by competition with Japan and with the European countries for the new markets. But even so, exports to these new markets declined because they are not buying, but not because of the exchange rates. We are even in a position to sell and we are, in a sense, continuing to sell. But the problem is different; it is a problem of the limits imposed by these countries on imports, and not a problem of the exchange rate.

[Question] It may not be a case of backing off in the matter of compensatory rights of the United States, but that message from George Shulz was very clear with regard to the protected market. In light of Brazil's negotiating needs, do you see any possibility of altering the market reserve for data processing systems and components.

[Answer] No, I do not feel it is related to these negotiations which we are conducting with the United States. They are different things, separate items. The United States has been very insistent on this topic, and we have not included this in our general negotiations with the United States, not in the general negotiations nor in the specific negotiations, as in the case of steel, for example. We are not connecting the two things. I think we have sufficient reason not to do this, since our balance of payments situation with the United States is so poor. Now, I also think this reserve market policy is a temporary policy. We have already done this in other areas--in communications, in

in telephone systems, in the steel industry, in the automotive industry-- and this is really a policy which is practiced for a certain period, until the basic infrastructures for the sector are established. After that, I think all this will be dispensed with and we will open up the market, regulating it just through tariff protection.

[Question] Is it possible that this could come about in this administration?

[Answer] Look, this area is out of my jurisdiction, but from what I know about the proposals under study, the draft bill which is being considered for submission to the National Congress on the matter, I do not feel there will be time to settle or resolve this problem in the present administration. I think this is really a problem for 1985.

[Question] Will the goal, for both exports and imports, really be reduced by \$500 million, but maintaining the \$9 billion surplus?

[Answer] It makes no difference. It is not important--\$24.5 million or \$25 million in exports, \$16 million or \$15.5 million in imports, are recourses. We are still a long way from the end of the year. I do not think it is a matter of correcting, of making corrections routinely, because we do not yet have any convincing reason for these changes.

6362

CSO: 3342/75

## CTA TESTS FIRST PROTOTYPE OF TARGET AIRCRAFT

Rio de Janeiro O GLOBO in Portuguese 26 Dec 83 p 13

/Text/ Sao Jose dos Campos--The Aerospace Technology Center /CTA/ is testing the first prototype of a target aircraft designed by technical experts of the Institute of Research and Development /IPD/ (an organ of the CTA). This target aircraft was built by the CBT--the Brazilian Tractor Company--an enterprise that in early 1984 will definitively begin production of military equipment. The second prototype is already in the final stage of construction, and the tests that will be concluded in the first half of 1984 will serve to gain international acceptance of the equipment.

Col Luiz Antonio Martins Leomil, director of the Institute of Research and Development, refuses to provide any information concerning the target aircraft. He explained that the equipment belongs to the CBT, and that it will always be his policy at the IPD to publicize products when they have been completed and are already being manufactured. Technical experts of the CTA, however, did disclose that in 1984 a total of 20 target aircraft will be produced on a pilot scale, and subsequently an additional 100 will be produced for delivery to the Brazilian Armed Forces. Plans also include the production of 200 units per year for export as a part of "packages" which will include armament and ammunition produced by other Brazilian industries.

This target aircraft is powered by a jet turbine which is the first of this type to be developed and produced in Brazil, in accordance with designs developed by the Aerospace Technology Center.

Powered by this turbine, the equipment can fly at 6,000 meters altitude at a speed greater than 700 kilometers per hour, with the ability to fly for 45 minutes without refueling. It is guided by remote control and can carry a useful cargo of 30 kilograms of electronic components or high explosives. The CTA has also developed, for the target aircraft, a cargo of electronic countermeasures designed to "blind" enemy surveillance radar.

10992

CSO: 3342/49

## BRIEFS

STEEL PRODUCTION FOR 1983--Brasilia bureau--The 12.9 percent increase in steel production--from 12.9 million tons in 1982 to 14.6 million tons in 1983--exceeded the forecasts of the National Council for Nonferrous Metals and Steel (CONSIDER). The 1983 production total was the largest for any year since the record set in 1980, when production exceeded 15 million tons. There is a difference in this apparent similarity of the figures for 1980 and 1983, however. In 1980 the economy recorded an 8 percent growth and the greater part (90 percent) of our steel production was destined for the domestic market, whereas in 1983 the economy will probably (the final figures are not yet available) have declined by 3 or 4 percent and the steel sector will have been saved by its exports, which came to 4.5 million tons. The decline in the domestic market in 1983 (which was more than 20 percent and was aggravated by the recession) motivated the Brazilian steel mills to develop their export trade--an effort that brought to Brazil a total of \$1.2 billion in foreign exchange, 71 percent above the figure for 1982. In terms of volume, exports totaled 5 million tons--representing an increase of 108 percent over the figure for the previous fiscal year. For 1984 the government is forecasting a total production of 17 million tons. In the United States, the Department of Labor is forecasting a substantial decline in unemployment--to 7.8 percent. It is estimated that when Reagan ends his term as president the figure will have declined to approximately 5.7 percent. The decline in unemployment in 1983--together with an even more substantial drop in U.S. inflation to less than 4 percent--has been viewed by the White House as substantiation for Reagan's economic policies, which have been severely attacked by the Democrats. The principal opportunities for an economic attack on Reagan that remain to the Democrats are to be found in the enormous deficits projected in the federal budget, and the high interest rates. /Text/ /Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Jan 84/ 10992

CSO: 3342/49

## BRIEFS

ASSAULT RIFLE PRODUCTION--Santiago, 28 Feb (AFP)--The magazine CAUCE has reported that Chile will manufacture the 9 mm SIG assault rifle. The licence for the production was sold by the Swiss consortium Schweizerische Industrie Gesellschaft to the Chilean Army Ordnance (FAMAE). [Summary] [PY030030 Paris AFP in Spanish 1441 GMT 28 Feb 84]

ZINC PRODUCTION--According to the magazine MINERIA CHILENA zinc production will increase from 3,000 metric tons to 30,000 metric tons with the operation of the El Toqui plant in Aysen, 11th Region. [Summary] [PY030030 Santiago LA TERCERA DE LA HORA in Spanish 22 Feb 84 p 7]

AIR MATERIEL SALE--Santiago, 24 Feb (AFP)--The Chilean Government has announced the creation of the Aeronautics National Enterprise [Empresa Nacional de Aeronautica--ENAER] for the construction and sale of airplanes and air equipment. ENAER will be under the jurisdiction of the Defense Ministry, and the appointment of its officials under the Chilean Air Force. ENAER will cover maintenance needs, and the needs created by eventual embargoes of air materiel. [Summary] [PY030030 Paris AFP in Spanish 2039 GMT 24 Feb 84]

CSO: 3348/302

## U.S. POLICIES IN LATIN AMERICA CALLED ECONOMIC AGGRESSION

Havana PRISMA LATINOAMERICANO in Spanish Jan 84 pp 59-61

[Article by Hector Danilo: "Broad Scope: Old Plan of Geopolitical Expansion"]

[Text] On 2 December 1823 James Monroe, the fifth U.S. president, issued his doctrine "America for the Americans," invoked by Ronald Reagan today in his presidential speeches.

That doctrine, repudiated from the beginning by the Latin American countries, tried to warn the old European colonial powers that the United States considered the lands of this hemisphere its own.

The Monroe doctrine, one of the bases of international action of the current tenant in the White House, has been called a great contribution to U.S. foreign policy by British academic authorities.

The decision by Reagan and the military at the Pentagon to invade the tiny island of Grenada which is 27,000 times smaller than the United States once again confirmed the effect and influence of the Monroe doctrine on the government team that directs the destinies of the U.S. people today.

The old plan of geopolitical expansion conceived by Monroe has been enriched by his successors with a practice that U.S. intelligence circles today call "destabilization." This covers an entire system of political, trade and financial reprisals against governments called enemies of the United States.

The Guatemala of Arbenz and the Chile of Salvador Allende are very illustrative examples of that regressive tendency of the United States in its political and economic relations with Latin American countries.

However, it has unquestionably been in Cuba, Nicaragua and Grenada where U.S. actions of economic coercion reveal their true dimension since these generally precede U.S. military interventions in the Third World.

## Blockade Against Cuba

In the case of Cuba, the United States tried to bend Cuban determination with sanctions to smother the island economically.

The U.S. blockade against Cuba for more than 20 years includes the most incredible gamut of economic aggressions and violations of international law, as even U.S. legal experts admit.

Striving for the immediate strangulation of the Cuban Revolution, Washington first suspended the sugar quota Cuba had historically sold to the U.S. market. That sector contributes almost 80 percent of the foreign revenue to the Cuban economy.

In October 1960, measures were passed prohibiting exports of spare parts to Cuba in order to paralyze local industry.

The shipment of fuel was suspended at the same time. In February 1962, the U.S. Government decreed the complete elimination of medicine sales and an implacable persecution of Cuban nickel in all the markets of the world since it is the second most important Cuban export.

A set of laws and regulations stipulates that the United States will not offer economic aid, food or technology to Cuba. They also establish reprisals against those countries that do business with Cuba.

Washington also prohibits Cuba from receiving financing from entities or banks based in the United States.

In recent months the Reagan administration resurrected the blockade, pressuring Western countries to sharply limit their trade and financial relations with Cuba.

An epidemic of dengue fever broke out in Cuba in 1981; the virus was introduced by the CIA, according to substantiated accusations. The United States refused to sell the chemical products needed to eradicate the disease and blocked Cuban negotiations to acquire them in Latin American markets.

As for transportation, the United States established a so-called "black list" for those third-country ships that came to Cuba. Those ships would not be allowed to enter U.S. ports and would endanger U.S. economic or military aid to their respective governments.

It impeded Cuban participation in international negotiations like the Cancun meeting and vetoed Cuba as the site of the Sixth UNCTAD after the Group of 77 --made up of 124 countries--supported that request. All of this is part of U.S. policy against the largest of the Antilles Islands.

The trade and financial aggression cited is not all the blockade connotes. It is just an illustrative example of the uninterrupted and growing hostility of the United States against Cuba. This now includes the threat of direct military aggression.

#### Low Blows Against Nicaragua

The Sandinist government of Nicaragua which reached power on 19 July 1979 now simultaneously faces threats of invasion by former Somoquist guards, aggression

from Central American armies allied with Washington--Honduras, Guatemala and El Salvador--and even a direct attack by the United States. It has also been the victim of the Cold War policy and economic sanctions initiated by Reagan against the Caribbean and Central America.

The policy of economic harassment against Nicaragua began at the very moment of the Sandinist victory. One of the most recent aggressions dates from 9 May 1983 when the United States suddenly told the Managua government of its decision to reduce the quota of raw sugar that this Central American country traditionally sold to the U.S. market by 90 percent.

The U.S. ambassador in Managua informed the Nicaraguan foreign ministry that his government will only buy 6,000 tons of sugar from Nicaragua instead of the 58,000 tons it had bought until 1983.

With that measure, Washington tried to deal a harsh blow to the efforts of that Central American country to reconstruct its sugar industry. This also hurt many private producers which the United States claims to defend.

Reagan's first gesture, a few days after occupying the White House in January 1981, was to suspend a credit of \$9 million with which Nicaragua financed its wheat purchases from the United States.

That weapon of food used by all U.S. administrations since 1918 to bend Third World countries that undertake social transformations demonstrated that President Ronald Reagan would do the unspeakable in all sectors to try to sweep away the Sandinist revolution.

The Nicaraguans also remember that, during their first year of revolution, the United States reduced the \$8.9 million in credit that the Export-Import Bank granted to the Somozist dictatorship to buy U.S. products to \$40,000.

That bank, used by the United States to promote U.S. merchandise and manufactured products in Latin America and the Caribbean, suspended guarantees to finance Nicaraguan imports. This tremendously affected the country since it lacked facilities to obtain spare parts for industrial installations erected by U.S. firms.

Reagan has initiated many actions in the financial and commercial sectors to economically and politically destabilize Nicaragua.

In December 1981, the U.S. representative to the IDB vetoed \$500,000 allocated for the development of agricultural-livestock cooperatives in Nicaragua. On 25 February 1983, Senator Jack Kemp proposed to the U.S. Senate that the U.S. contribution to the IDB carry the condition that this bank not give financial assistance to "Marxist Nicaragua."

The World Bank which boasts of sending U.S. economic aid to developing countries decided to suspend a program of loans allocated for social projects in Nicaragua in February 1982.

Although Nicaragua has scrupulously respected its international obligations, private banking--pressured by the Reagan administration--has suspended new credits to Nicaragua, stressing the payment conditions of the country or refusing to renegotiate debts.

Within the framework of the so-called Reagan Caribbean Basin Initiative--a political-military project aimed at giving a green light to U.S. multinational enterprises in the subregion--the exclusion of Nicaragua, Cuba and Grenada was an additional expression of harassment.

#### Economic War Against Grenada

The Reagan administration submitted the revolutionary government of the now deceased prime minister of Grenada, Maurice Bishop, to harsh economic harassment before opting on the military invasion of that island on 25 October 1983.

With that attempt at softening the Caribbean island of 344 square kilometers and 110,000 inhabitants, the United States presumed that the Grenada leader would abandon his social and political options.

The U.S. GAO [General Accounting Office] revealed days before the invasion that the AID [Agency for International Development] and the U.S. State Department applied "a policy that denies capital aid to the Grenada Government due to the line followed by that country after 1979" when Grenada dictator Eric Gairy was overthrown.

Consequently, the United States used the dominant influence it has in the IMF, the World Bank and the IDB to keep those banks from offering financial assistance to the tiny island of the eastern Caribbean whose foreign revenue depended on exporting a few thousand tons of bananas and nutmeg.

In spite of this economic fragility, Reagan stated at the beginning of this year that Grenada represented a "threat to U.S. national security."

The Reagan administration pressured the governments of Western Europe, the majority of which disapproved of the decision to invade Grenada, to limit their aid to mobilize resources for the construction of the international airport at Point Salines, a project that was considered vitally important for the development of the Grenada tourist industry.

The United States also tried to sabotage a cofinancing conference sponsored by the EEC to obtain \$30 million indispensable for the completion of the Grenada international airport.

The Reagan administration also used tremendous political pressure on the BCC [Caribbean Development Bank] so that this bank, in violation of its own charter, would accept financial resources from the United States if Grenada was excluded.

Those pressures on a subregional bank that emerged after hard work were interpreted by leaders of the English-speaking Caribbean as U.S. action to nullify

the efforts of the small Caribbean islands to have their own voice in international financial operations.

One last example reflects the cruel policy the United States used in its relations with Grenada in recent years.

In August 1980, Hurricane Allen practically ruined the main banana, nutmeg and cacao plantations in Grenada.

WINBAN [Windward Islands Banana Association] felt it was just to help Grenada reestablish those crops, indispensable for the economic subsistence of the Grenada people.

The Reagan administration promised financial aid to WINBAN and then set the condition that Grenada be excluded from that aid in spite of the fact that the island had suffered incalculable damage from the hurricanes that hit the eastern Caribbean in 1979 and 1980.

The U.S. motto was obvious: Grenada had to be punished.

That threat was extended recently by the U.S. president to all the Third World.

A week after the invasion of Grenada, Reagan told White House reporters: "If the conditions in Grenada are repeated in another place, the U.S. response will probably be the same."

7717

CSO: 3248/442

## INDEBTED NATIONS SAID TO BE VICTIMIZED BY WORLD ECONOMY

Havana PRISMA LATINOAMERICANO in Spanish Jan 84 pp 34-39

[Article by Francisco Forteza: "Crucial Moment: Indebted Countries at Edge of Cliff"]

[Text] Hotel Sheraton, Washington, one September morning in 1983. While magnates of the IMF and the World Bank and representatives of countries involved in their operations imperturbably knot their ties to attend their annual summit meeting, the developing world continues in a countdown started by a profound crisis. It can end with a devastating explosion.

The so-called Third World is at a crucial time. Its foreign debt is more than \$700 billion. International banking--mainly formed by U.S. interests--has tried to use the loan mechanisms established at Bretton Woods in 1944 to its advantage.

Only the tip of the iceberg could be seen at the Sheraton.

The world economy is in a spiraling crisis and the Third World nations are unquestionably the most affected.

The impossibility of denying that reality forced A. W. Clausen, president of the World Bank, to confess: "The economic decline of the poorest nations is a time bomb waiting to go off."

In spite of its foreseen limitations, the conference proved two things, surely against its will. One, the crisis is so widespread that it affects the very people who helped spread it. Two, there are no solutions that would help the financial interests of the old international economic order maintain its control.

## Waiting to Go Off

Between 1979 and 1982 the administration of the most powerful capitalist country in the world, the United States, presented a policy to "save its own skin" in detriment to the developing countries and even White House allies.

The Reagan government resurrected the traditional U.S. restrictive and protectionist measures for international trade which have always characterized this country, to a greater or lesser degree, in its search for more capital.

One instrument frequently used by that government is rising interest rates. The short-term interest rate U.S. banks offered their clients went from 12.10 percent in 1979 to 12.97 percent in 1981.

The long-term rates fluctuated between 9.64 percent and 13.72 percent during that period. That unleashed a financial "skirmish" among its industrialized capitalist allies.

The United Kingdom, Japan, the FRG and France made similar decisions to prevent sudden flights of capital attracted by the U.S. banks' high interest rates.

The rising interest rates placed the Third World nations in a precarious position, condemned to backwardness by their deformed socioeconomic structures, the operations of multinational enterprises, unequal trade and other consequences of a totally unjust international economic order.

The debt, at relatively "rational" levels at the end of the 1960's, climbed uncontrollably in the last 10 years until it became a burden too heavy to be carried by feeble economies.

The crisis generated by the industrialized capitalist countries is transferred today more harshly to the poorest countries.

In 1981 all the nonpetroleum underdeveloped nations were in the red \$77.5 billion in their balance of payments. The financial strangulation also affected crude oil producers.

#### Balance of Payments

Balance of payments in current accounts of the underdeveloped countries (in billions of dollars)

<u>Sector</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
Underdeveloped countries	-34.0	10.6	35.9	11.5
Oil countries with capital surplus	19.0	65.9	103.7	81.5
Oil countries with capital deficit	22.8	-7.1	0.9	-15.5
Nonpetroleum countries	-30.2	-48.2	-68.7	-77.5

Source: "Economic and social crisis of the world" by Fidel Castro

The developing world recorded a deficit of payments that year of about \$11.5 billion.

Raw materials not related to oil--the main products of the Third World--continued to go down in price. In "The economic and social crisis of the world," Cuban president Fidel Castro indicated that there was a 15-percent drop in prices of all nonpetroleum raw materials in 1982 compared to 1981.

Foods went down 18 percent in the same period, agricultural raw materials went down 13 percent and minerals and metals 12 percent due to shrinkage of demand in the industrialized capitalist markets.

Therefore, the trade of the developing countries suffered an enormous blow that brings them on the verge of collapse. At the beginning of the 1950's, the Third World nations did 23.6 percent of the world trade. In 1980, that proportion was only 11.2 percent.

About 70 percent of the trade of the Third World regions is controlled by the economies of the Western world. Only 20 percent of their overall trade is among themselves.

### Master of Evil

The credit organizations based in Washington and the multinational enterprises have financial and economic control of the vast majority of the resources of the Third World countries. The attempts to curb the latter have not been successful.

The multinational companies over the decades have managed to lay out a powerful raw materials marketing network that keeps most of the power of these enterprises intact.

The "masters of evil," after establishing bases for domination during the colonialist age, adapted and developed other mechanisms in the midst of very complex international dynamics.

About 20 multinational enterprises handle about 90 percent of the world cotton trade.

In the case of cacao, five monopolies do about 75 percent of that trade. A small group of firms does 70 to 75 percent of the annual world trade in bananas.

Phenomena like the inflationary spiral of prices for industrial products--the majority of Third World imports--the brain drain, the chronic shortage of specialized manpower and the underdeveloped structures which are impossible to change without radical adjustments are strings firmly tied around the hands of the Third World.

In the industrial sector, the Third World barely contributes 9 percent of world production. Five Third World countries produce 61.4 percent of these industrial products.

Technology is meted out by the industrialized capitalist countries. The underdeveloped countries receive machinery and industrial plants that become obsolete almost at the moment they begin to yield dividends.

When there is technological transfer, newly erected industrial plants are forced to be dependent through control of spare parts or basic materials that can be blocked in case of political conflicts with the exporting nations.

Asia, Africa and Latin America have the same problems, in general, in their international economic relations. To a greater or lesser degree, they also suffer the same effects of hunger, malnutrition, lack of resources of every type, unemployment, infant mortality, etc.

Latin America, with a debt of \$350 billion--practically 50 percent of the developing world's--offers a clear picture of the current situation.

#### Green Subcontinent

Some 490 years after the discovery of European civilization of the regions that now form Latin America, this part of the New World is going through a social and economic stage that many specialists also call a "time bomb."

Who started the clock ticking?

Almost all the countries in this part of the world from the Rio Grande to the Patagonia which has some 300 million inhabitants and 200 million square kilometers have been affected by hunger and extreme poverty. There is blatant economic and social inequality caused, according to many specialists, by structural conditions and geographic coexistence with a powerful neighbor, the United States.

Of the 20 basic products that it needs, this most developed capitalist country imports 13 from the green Latin American regions.

Latin America is in third place, behind Canada and Western Europe, in U.S. investments. It is first in the developing world, a dubious privilege.

Successive U.S. governments have traditionally considered Latin America their "private backyard."

It can be said and has been demonstrated with 120 military interventions that the U.S. governments want to have the same relationship with their neighbors that a master has with his lackeys.

The Potomac hierarchy combines political, military and financial power to continue buying raw materials from Latin America at very low prices.

The United States obtains 99 percent of its supply of tin from Latin America, 96 percent of its bauxite, 80 percent of its fluorine, 71 percent of its beryl, 57 percent of its lead, 53 percent of its molybdenum, 47 percent of its copper and 35 percent of its iron ore.

Many of those primary products are considered "strategic materials" by the U.S. military centers. Any cut in these supplies might be a pretext for aggressions of every type including armed aggression.

The oil that Washington acquires in neighboring countries is used as its "strategic reserve."

The raw materials are controlled "on the spot" by a swarm of multinational enterprises and by a network of very complicated financial operations carefully drawn up by the United States to its advantage.

Some 5,000 private U.S. firms are represented in Latin America. These include 500 very powerful firms directed by cliques and power groups like the Morgans, Rockefellers and Duponts.

In 1970, 40 percent of the overall (industrial and agricultural) production of the region came from the multinational firms.

At that time, those monopolies controlled 90 percent of the total chemical production of the area and 80 percent of the metal-mechanical and metallurgical production.

Based on data like the above and other data given below, the experts believe that the best U.S. business is precisely Latin America.

"Work for the English" is a phrase that dates from the old colonialist power of the United Kingdom. It can be said that, with some exceptions, the Third World countries work for foreigners now.

According to data provided by international organizations, the flow of private U.S. capital to Latin America totaled almost \$8 billion between 1966 and 1976. In that same period, the multinational enterprises obtained profits of \$15 billion.

This also applies to extensive areas of Africa and Asia. Products from oil to precious stones are still marketed internationally today by multinational firms that pay ludicrous prices to the countries of origin.

For every dollar that U.S. interests invest in the poorest nations, they take out \$2 or more.

The formula for this business is simple, at least to describe: raw materials controlled and marketed by the firms themselves, obtained from impoverished countries at very low prices, and widespread direct exploitation of a manpower pressured by hunger.

Banks and international loan organizations--basically U.S. banks, the IMF and the World Bank (IBRD)--make the complex task of obtaining profits easier through the creation of a hopeless tangle in which almost all the countries of the Third World are involved to some degree.

The brain drain must not be ignored either.

This means that the old colonizing countries absorb skilled workers--engineers, doctors, specialists in general--who cannot work in their native countries since there are not enough jobs.

The "inverse technological transfer," as some authors call this phenomenon, made it possible for the United States and the United Kingdom to save

themselves \$5 billion in training between 1969 and 1977 in Latin America alone.

#### Time Bomb

The words already quoted by the president of the World Bank during the inauguration of the 38th Annual Assembly of the IBRD and the IMF were not sincere but were realistic.

Clausen, stalwart defender of the general conditions of the Third World, could not ignore the dramatic reality of deterioration that is becoming so extreme that nothing can be predicted.

A businessman from a developing country told an inter-American banking assembly held a short while ago: "In the past, the bankers (representatives of international banking) told us 'ask, ask.' Now they sit before us and ask us how we are going to pay."

It is true. The worst part of the problem is that the debtor does not know how he is going to pay back that money and the creditor does not know what he should do to recover it.

Countries with considerable natural resources like Brazil, Mexico, Argentina, Venezuela, Chile, Peru, Colombia and Ecuador are at a deadend with respect to their foreign debts owed to organs that are not willing to wait too long to collect.

#### Most Indebted

Latin American countries most in debt (October 1983) in billions of U.S. dollars

<u>Country</u>	<u>Debt</u>
Brazil	90
Mexico	81
Argentina	40
Chile	15
Peru	11

The loan entities and developed nations that granted credits and money run the risk of impeding the recovery of their money.

A financial spiral seems to go up toward infinity with little possibility that something will stop it.

#### Bad Negotiations with the IMF

The IMF, trying to preserve its profile as an "aid" organism, exploits the maze to impose conditions that affect the most underprivileged sectors.

Wage reductions, unemployment and "anti-inflation controls" through policies that deform economic structures instead of stabilizing them are frequent demands of the credit organs.

A typical case of the financial tangle that an entity like the IMF is capable of cooking up became public last October in Argentina.

After the IMF and IBRD summit in Washington ended, Julio Gonzalez del Solar, head of the Argentine Central Bank, was involved in a strange incident.

When he arrived in Buenos Aires from Washington, he was arrested by local authorities and accused by an Argentine judge, Federico Pinto Kramer, of having carried out negotiations with U.S. private banks which are harmful to Argentina.

Pinto Kramer also ordered an end to the renegotiation of the Argentine public foreign debt.

The scandal--although relatively fleeting and ending with everything where it was before--revealed the strong pressures often used by each of those credit organs on its clients.

A number of maneuvers have occurred in Argentina.

When this article went to press, it was announced that Argentina had to wait until almost the end of 1983 to obtain the first part--\$500 million--of a credit of \$1.5 billion.

That was decided by a so-called Bank Council representing a group of international banks which are creditors of Argentina. Its motive is to force the country to sign a contract for the renegotiation of the foreign debt of a major Argentine enterprise of more than \$2.407 billion.

The Brazilian Government (\$90 billion in debt) had to make a string of promises concerning measures and restrictions to be applied to the domestic economy in order to obtain new credit for \$5.2 billion. These included a wage freeze and devaluations of Brazilian currency.

A political storm broke out in the large Amazon country. The Brazilian parliament categorically rejected the demands of the IMF and the fight started.

Venezuela, in the midst of difficulties caused by a foreign debt of about \$30 billion, protested similar "requests" from those credit organisms. At the same time, it announced that its deposits had gone down to \$3.1 billion after facing those due in 1983.

#### Separate Case

Chile is a separate case. According to Augusto Pinochet, he tried to apply an "agile and modern" system through monetaristic laws.

Salvador Allende's government had started to recover the country's resources, limited multinational operations and improved socioeconomic conditions with many benefits for the underprivileged classes. After this government was overthrown in 1973 by a bloody coup d'etat, the regime in Santiago embarked on the monetarist and "open" ship.

The national foreign debt is fifth in size in Latin America, about \$15 billion.

A government outline of the condition of the Chilean economy is depressing enough even though it tries to hide negative factors.

According to data from the INE [National Institute of Statistics], under Pinochet the gross domestic product went down about 14.1 percent between 1981 and 1983.

The institute admitted that 2 years ago "all the productive sectors, with the exception of fishing and mining, recorded substantial reductions."

During this period, the manufacturing industry went down about 21.9 percent while the volume of domestic trade went down about 14.4 percent.

The rate of unemployment, a figure really manipulated by the Chilean military coup members, was placed at about 30 percent of the active population in 1982. In the same year, the cost of living went up about 20.7 percent.

International experts believe that the Chilean economy will continue deteriorating. It will be unable to stop this decline and the deterioration of the living conditions of the great majority of the population.

As the situation worsens, popular protests get louder and demand Pinochet's resignation.

#### Hunger and Gunboats

Fidel Castro, president of Cuba and of the Movement of Nonaligned Countries from 1979 to 1983, warned the countries in the United Nations that arms can get rid of the sick, the illiterate and the hungry but can never get rid of hunger, disease, illiteracy and the sequels of deteriorating socioeconomic structures and unjust international conditions that the Third World faces.

This warning, heard by hundreds of statesmen all over the world, was ignored by the United States.

With its recent armed intervention in the small island of Grenada--110,000 inhabitants--to end a popular process there, its operations against Nicaragua, El Salvador and Cuba, its support for the South African regime and Israel in Africa and the Middle East, Washington demonstrates that it believes in extermination as a feasible "solution."

Some 400 million to 500 million unemployed and underemployed people try to survive in the Third World regions. The per-capita income in that part of the world is 7 to 40 times less than in the industrialized capitalist nations.

## Alarming Situation

Some characteristics of the socioeconomic situation of the inhabitants of the Third World

<u>Characteristic</u>	<u>Number of People</u>
Malnourished	1 billion
Hungry	500 million
Per-capita income less than \$50/year	800 million
Illiterate	820 million

According to calculations of different international institutions, malnutrition and extreme poverty affect 1 billion men, women and children in the underdeveloped world. About 50 percent of them suffer from starvation.

According to the FAO in a recent document, the food problem is not due basically to production problems but distribution.

The developed nations have a grain surplus while the underdeveloped countries cannot even meet their most urgent needs.

The agrarian systems in the Third World countries suffer from partial or total lack of modern technological resources, large estates that monopolize productive development, general organizational problems, etc.

Phenomena like looting supermarkets in Brazil, the terrible starvation in Africa and its sequel of high infant mortality rates are daily examples of the food situation in underdeveloped regions.

## Responses

The worsening of the atrocious socioeconomic conditions in the Third World nations led to a series of recovery experiments in recent decades.

OPEC was a joint hope when it appeared in 1960, ready to confront the maneuvers and operations of the large crude oil marketing multinational enterprises which used to have impunity.

The historic moment of OPEC's firm stand in 1973 showed how powerful an organization of this type can be in the hands of governments determined to offer a united response.

It should be pointed out, however, that OPEC--which received complete support from the Third World for its 1973-74 price increase--did not know how to channel its just action for its own benefit and the benefit of the nonpetroleum underdeveloped countries.

The price increase affected the underdeveloped nations on two sides. The non-petroleum developing countries had to pay more for the indispensable fuel and

also pay more for industrial imports, subjected to an inflationary spiral by the capitalist economies determined to pass on their crisis.

The birth of the Movement of Nonaligned Countries, unquestionably the strongest group with greatest possibilities for the Third World, and a number of organizations to protect the raw materials that the underdeveloped nations export were successful responses.

The Cuban Revolution demonstrated in Latin America the possibilities of international economic maneuvers and socioeconomic, agricultural and industrial development open to a developing country when it decides to change its old structures.

Hunger was eliminated in Cuba through an equitable distribution of food to the people supported by the agrarian and industrial revolutions. Evils like illiteracy, malnutrition and a high infant mortality rate were also eliminated.

In view of these irrefutable social changes on the Caribbean island, experiments in economic integration appeared in Latin America. These included: SELA created in 1975, NAMUCAR [Caribbean Multinational Shipping Line] and OLADE [Latin American Energy Organization].

In these and other cases, the United States tried to manipulate these entities in its favor. It achieved partial success in the case of a Caribbean organ born in 1973, CARICOM [Caribbean Common Market] by involving 8 of its 13 members in the Grenada invasion.

The threat it represents to the small nations forced many capitalist countries to spend large amounts for defense. (Theories drawn up in the White House state that World War III "is already in progress" and spreads through the developing regions.)

The arms race, therefore, preys on the impoverished Third World economies like a hungry tiger that snatches away the last shreds of its kill.

According to calculations by different international forums, \$650 billion were spent on arms throughout the world in 1982. The developing states paid about \$81 billion for that necessity.

Some data, like the above, speak for themselves.

A modern war plane costs the equivalent of the wages of some 250,000 teachers or the construction of 75 100-bed hospitals. The cost of a U.S. nuclear submarine would keep some 16 million children in underdeveloped countries in schools for a year.

#### Different Relations

Another response of the developing world in its search for solutions is its increased relations with the socialist camp.

The Third World countries find business partners there capable of maintaining just trade favorable to their development projects.

Countries like the Soviet Union, Czechoslovakia, the GDR and Bulgaria base their trade with the Third World on principles of aid and reciprocity, keeping in mind the many problems that the developing countries face in their economic development.

Specialists from those socialist countries stay for a long time in Africa, Asia and Latin America to train local personnel to keep the industrial plants provided by those European countries in operation.

Cuba has demonstrated the great importance of solidarity and cooperation among the underdeveloped countries.

Cuba sends doctors, teachers and construction workers to other developing countries under agreements which are extremely advantageous for the progress of those countries. This shows that a basic part of the solution lies in mutual Third World cooperation.

Cuba itself, represented by Fidel Castro at the United Nations in 1977, requested additional resources of at least \$300 billion at real values at that time as part of the response to the international socioeconomic crisis. He briefly explained what formulas can take the underdeveloped world out of the deep hole it is in.

The Cuban president condemned unequal trade and demanded an end to it.

He condemned phenomena like protectionism, imbalance in the exploitation of marine resources, the inadequate financial resources that the developing nations receive, arms expenditures, the prevailing international monetary system and the debts of the less developed countries.

Interpreting the philosophy of a large number of statesmen and experts of the nonaligned countries, Fidel Castro asked that the debts of the poorest countries be cancelled.

There is still time to respond to the demands of the majority of the people in the world.

As time passes, the solutions could disappear in the turbulent international crisis that affects the political, economic, financial and social sectors.

The developing world has time to prevent catastrophe if it increases its unity in basic demands and takes a joint road. Then we might predict that the time bomb can be defused.

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## AMBASSADOR TO USSR LAUDS REVOLUTION'S ACCOMPLISHMENTS

Moscow INTERNATIONAL AFFAIRS in English Jan 84 pp 20-22, 109

[Article by Anillo Capote: "25 Years of the Cuban Revolution"]

[Text] ] anuary 1, 1959 ushered in a new era in Cuba, one of revolutionary triumphs in all fields. For the first time the Western Hemisphere saw the triumph of a revolution which was successfully developing and had led the country, over a relatively short time and despite imperialist intrigues, to complete national liberation. The working people, headed by consistent and courageous leadership and guided by progressive Marxist-Leninist theory, became its driving force. Those people have brought socialist transformations that have changed the image of Cuban society.

Celebrating the Cuban Revolution's 25th anniversary, the Cuban people are proud of the impressive success gained thanks to the force which derives from the socialist revolution. It was the Revolution that made it possible to do away with obsolete, backward and reactionary elements, with everything impeding the progress of Cuban society. Having liberated themselves from foreign oppression and all other forms of exploitation, the Cuban people have become capable of channelling their energy and talents into the creation and advancement of values which would have been unthinkable had it not been for the onward development of our Revolution.

The very first steps of the Cuban Revolution proved the veracity of Lenin's tenet that in order to be genuine a revolution should be able defend itself. That is why since its very inception every attempt by American imperialism to suppress it proved a failure.

Cuba was the second country in Latin America after Puerto Rico to be oppressed the most on the part of American imperialism. Our country had fully experienced the neocolonialist regime which held ground for more than half a century and was eliminated together with its system of exploitation and evils imposed from without.

The imperialists underestimated the revolutionary spirit of the Cuban people. They staked on aggression, beginning with such armed attacks as the ignominious failure to invade Playa Giron, nuclear threats against our nation, which did not buckle, and, finally, the economic blockade announced over 20 years ago and aimed at starving Cubans. We have been facing and repulsing these hostile attacks. In every struggle against the enemy the revolutionary people gained strength, learned to overcome difficulties, closed their ranks round the Communist Party and its leader Fidel Castro, and enhanced discipline.

Their revolutionary conscience kept growing and developing while fighting aggression, imperialism and counter-revolution, and in the course

of building a new life which opened before the working people every opportunity, earlier unattainable for the public at large. Having cast off their fetters, the Cuban people regained possession of their land and its wealth, their sea and air space to start building socialism as masters of their country and destiny. They have surmounted all obstacles put in their way by imperialism exposing its schemes to stifle revolutionary Cuba. However, our country was not alone, as it enjoyed internationalist solidarity of the socialist community, primarily that of the Soviet Union.

Forty two years had elapsed since the victory of the Great October Socialist Revolution by the time the Cuban people took power in their hands. We Cuba's revolutionaries could count on assistance of the Soviet Union, the country that had carried out the first socialist revolution and implemented Lenin's and his glorious Party's plans. The victory of the Russian Revolution and its development initiated the era of socialist revolutions, a new era which sprouted in the Western Hemisphere as well. It had made possible the achievements that enabled Cuba to eliminate, over a short time, neocolonialist exploitation, hunger, unemployment, illiteracy, discrimination and all the social evils inherent in the former system of exploitation.

Cuba's success in the field of education is truly remarkable. Within a short time illiteracy was wiped out. At present, the number of students enrolled in higher educational establishments is 18 times more than before the Revolution. While in the year of the assault on the Moncada barracks 1,575 people received higher education diplomas, in 1983, i. e., 30 years later, their number reached 20,000. It should be noted that in 1983 the number of Cubans who graduated from Soviet higher educational establishments was greater than the number of Cuban higher school graduates 30 years ago. Two per cent of the people are studying at higher schools. Over one-third of all the Cubans are either studying or raising their education level.

Today Cuba has every right to be proud of its achievements in the field of public health care. They are even more impressive if we take into account the fact that after the victory of the Revolution imperialists and the bourgeoisie took with them half of medical personnel. While the country's population increased by 50 per cent, today the number of health care workers is three times higher than before 1959. Medical care has been organized everywhere and as a result, Cuba's health care system has been able to eradicate numerous diseases, increase the life expectancy from 58 to 73.5 years and bring down infant mortality. While in the past 70 per each 1,000 new-born babies died, today the figure is 17.3.

As a result of socialist transformations great changes have taken place in the country's agriculture, which has become more mechanized and is equipped with most up-to-date machinery. While before the Revolution the country had only 9,000 tractors, today their number is 80,000. Compared to 1958, fertilizer use increased tenfold and pesticides—fourfold. Great effort has been made to establish the system of water reservoirs; their volume increased by 125 times as a result. The irrigated area has gone up five times, from 160,000 to 815,000 hectares. The production of sugar, vegetables, milk, eggs and other farm produce is now many times the 1958 level. It is particularly significant that these successful results are due to higher labour productivity in every branch of agricultural production.

In a country where woods have been thoughtlessly wasted the forest area grows annually by 26,000 hectares. In spite of the fact that the length of its coastal borders is over 5,000 kilometres, Cuba was unable to avail itself of the sea. Today the level of sea food production is almost 10 times higher than the pre-revolutionary peak.

Compared to 1953, the national electric power industry is now over 12 times greater, with the number of electricity consumers going up threefold. The length of power transmission lines in the country is more than 5.5 times the 1953 level. Electric power is supplied to more than 80 per cent of the country's population. With the assistance of the Soviet Union a 1,200-MW thermal electric power station is under construction in Havana, an atomic electric power station of 840 MW capacity is also being constructed in Cienfuegos.

As to industrial development, it should be noted that the production of nickel and cobalt has gone up. In order to further develop the industry new factories are being constructed and designed, which will make it possible to double the production of such metals.

The oil-producing industry is also developing. When a new oil-refinery with an annual capacity of 6 million tons is constructed in Cienfuegos the output in this industry will increase even more. The light industry is also growing.

As to construction, the present level of investment is 8 times that of 1958. Cement production, which is very important for the industry, has increased, compared to 1958, from 740,000 to 5,600,000 tons.

All these achievements have been made possible due to the victory of the Revolution. Cuba's economic development is closely related to social progress. As is known, the International Bank for Reconstruction and Development is the financial body of capitalist countries; however, according to its data for the 1960-1979 period—when socialist transformations were taking place in our economy—the annual per capita increase in the gross national product (4.4 per cent) was one of the highest on the continent.

According to the UN Economic Commission for Latin America over the period from 1970 to 1975 the per capita gross domestic product in the 19 largest Latin American countries increased by 21 per cent. In Cuba the respective figure was 48 per cent. Over the next five-year period (1975 to 1980) it went up by 33 per cent more while in the entire Latin America it grew by only 16 per cent.

Within 25 years a country that had previously been suffering under imperialist oppression has become, thanks to the victory of the socialist revolution, a sovereign state capable of defending its freedom and the cause of justice. Cubans are educated, strong and healthy. They possess a high political conscience which is expressed in internationalist solidarity. Cuba is rendering assistance to 30 developing countries in such fields as health, education, technology and construction. In response to requests of the legitimate governments of Angola and Ethiopia, Cuba came to their aid when their freedom, independence and territorial integrity were threatened.

Over the past years Cuba has been surmounting difficulties resulting from the imperialist policy of pressure and blockade to establish broad relations with other countries. Today the number of countries having diplomatic relations with Cuba has gone up three times as compared to the prerevolution period. In September 1979, Havana hosted the Sixth Non-Aligned Nations' Summit Conference. The number of high-ranking representatives of governments who attended the Conference, was larger than at any similar international forum held earlier.

Building and defending socialism we always remember the assured cooperation and support of the Soviet people who have given us material assistance. Soviet representatives have been working together with our people. It is thanks to this all-round aid that we have been able to attain the present high results in the economic and social development of our

country. At the time of the 25th anniversary of the victory of the Revolution we recall the words of Fidel Castro, First Secretary of the Central Committee of the Communist Party of Cuba, President of the Council of State and the Council of Ministers of the Republic of Cuba, when we celebrated the 20th anniversary of this glorious date: "Cuba, its children and future generations will always remember what the Soviet Union means to our people and they will be grateful to it."

In the quarter of a century along the revolutionary path a new Cuba has emerged. A new man has come into being whose features are socialist patriotism and readiness to live up to the highest internationalist duty. These features inspire him to creative action; they support his unfailing determination to live and work on behalf of the Revolution and, if required, to give up his life for it.

The highest aspirations of our country's revolutionary people are reflected in the proceedings of the First and Second Congresses of the Communist Party of Cuba. The implementation of their decisions under the leadership of the Communist Party is the guarantee of the ultimate development of the Revolution—the building of socialism and advance in building a communist society.

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## CARLOS RAFAEL RODRIGUEZ NOTES UNITY AT QUITO CONFERENCE

Havana BOHEMIA in Spanish No 4, 27 Jan 84 pp 58-61

[Interview with Dr Carlos Rafael Rodriguez, vice president of Council of State and Council of Ministers, by Raul Lazo Gonzalez: "Latin America, Caribbean Spoke with One Voice"; date and place not specified; passages enclosed in slantlines printed in italics]

[Text] Dr Carlos Rafael Rodriguez, vice president of the Cuban Council of State and Council of Ministers, recently returned to Cuba after heading our country's delegation to the Latin American Economic Conference convoked in Quito at the initiative of the president of Ecuador, Dr Osvaldo Hurtado. Dr Carlos Rafael Rodriguez agreed to the following exclusive interview with BOHEMIA.

Question: What significance does the Quito Declaration have for the Latin American and Caribbean countries and what are its most important aspects?

Answer: The Quito Declaration has significance that must be pointed out. For the first time in many years, Latin America and the Caribbean speak with one voice. To achieve this, Latin America spoke in Quito with /its/ voice based on /its/ problems and looking to /its/ future. Otherwise, Cuba would not have agreed with that declaration and I am sure others would have disagreed also.

Some elements in that declaration should be pointed out. It is, first of all, an /anti-interventionist/ declaration. Therefore, it quite obviously, although not in so many words, confronts the Reagan policy that is based on the arrogant assumption that the United States has the right to intervene in any Latin American or Caribbean country in order to impose a social system that is useful to imperialism and to oppose any other system that resists it.

The declaration also explicitly expresses the decision of the Latin American and Caribbean countries to endorse the right of any of them to choose "its own economic, social and political roads." This ended the antipluralism which tried to isolate the Cuban Revolution and destroy socialism in America.

The declaration also condemns "the threat or use of force in the solution of international conflicts." In other words, it formulates an opposite policy

to Mr Reagan's globally as well as in Central America and the Caribbean. Grenada is not mentioned by name but its image is clear when the declaration states that "interventionism has had /recent dramatic/ examples in the region." In the text we are commenting on, there is an explicit analysis that contradicts Reagan and his buddy and assistant, Kissinger. It specifies that the origin of the problems in Central America "lies in the economic, social and political conditions that prevail in the area." Therefore, Latin America and the Caribbean, instead of agreeing with the Yankee opinions that military solutions must prevail in that area, state: "We offer all our political support to the Contadora Group."

I call your attention to the fact that "the use of discriminatory or coercive economic measures for political reasons" was very clearly rejected in Quito. Doesn't that describe the blockade against Cuba and the pressure on Nicaragua?

Last, Quito made it possible for Latin America and the Caribbean islands to clearly state that they have chosen the road of peace. "Without peace, development cannot be achieved and, without development, peace will always be precarious." This sounds familiar to us Cubans since it agrees with our own opinion.

Question: Do the economic statements of the declaration agree with its political positions?

Answer: Completely. Obviously, if it was a Cuban declaration, we would introduce other nuances and we would emphasize certain problems. Remember, I stated this when I spoke in the name of revolutionary Cuba at the Quito Economic Conference. However, I had no qualms about totally endorsing the economic context when the Ecuadorean press questioned me.

It is to President Hurtado's credit that, in organizing the conference, he encouraged serious and frank analyses of ECLA and SELA [Latin American Economic System]. Elements contributed by other Latin American meetings and by the discussions in Quito as well as in the Dominican Republic meant that the Quito Conference could clearly point out the seriousness and depth of the economic and social crisis that affects the region. The approved text states: "With its unique and unprecedented traits, it is the most serious and most penetrating economic and social crisis in this century."

The importance of the Quito meeting was that, with very few exceptions, we all spoke a language there that brought us closer. No one covered up or tried to ignore the unemployment that afflicts almost all Latin American countries. The substantial decline in real personal income that the declaration denounces was expressed in different ways as was the deterioration of the standards of living of the Latin American people. This deterioration aggravates the intolerable situation that already prevailed in the majority of our countries. It is now showing up in some of the Latin American economies that had almost escaped that social crisis. The Quito Declaration constitutes a final and explicit rejection of the "adjustments" that the IMF and other institutions that follow it--controlled by the United States--try to impose on our economies. They demand that problems and errors be corrected at the cost of the already impoverished and undernourished masses in Latin America and the Caribbean.

Some of us would have preferred more direct language in certain parts of the declaration but it would be wrong not to note this rejection of the economic conditions that have been imposed on us underdeveloped countries by the economic and financial environment created by the large capitalist powers, especially the United States. The statements on the debt and its possible solution were supported by the entire continent and, therefore, will now have a strength that will unquestionably grow with the repercussions that the Quito Declaration will have on other underdeveloped continents like Africa and Asia. The statements on foreign trade, prices and protectionism are indisputable.

It must be noted that the declaration was accompanied by a plan of action which contained measures aimed at carrying out the economic definitions in the declaration. It is important to consider that both the declaration as well as the plan reveal the obvious determination of the countries in Latin America to coordinate their forces and combine their possibilities. This unity not only gives us international negotiating ability but also helps find practical means of economic defense that will come from intra-Latin American trade and from industrial cooperation among the countries in the area. It must be noted that, setting aside political differences and ancient divisions, all the countries in Latin America without exception can enjoy the mutual concessions established by ALADI [Latin American Integration Association] for the first time. Before, it covered most of the continent but was closed to countries like Cuba that were not part of it. Now we can all enjoy its benefits and assume mutual responsibilities.

Question: On many occasions, the just statements in the documents of international conferences do not become concrete in real life due to lack of firm determination. Based on the personal bilateral and multilateral contacts of the Cuban delegation, do you feel that the collective determination to make it reality is evident this time? In what way can it be materialized?

Answer: It is obvious that the determination exists. It was revealed in the words of almost all the chiefs of state who attended and also those of us leaders who represented our peoples. There were exceptions like Prime Minister Seaga of Jamaica who wasted his time touting the absurd "Caribbean Basin Initiative," the crust Mr Reagan wanted to feed some of his Caribbean servants. President Betancur and President Hurtado set a very appropriate keynote at the beginning of the meeting. Even the rhetorical speech by the president of the Dominican Republic had some substantial elements. Dante Caputo, the Argentine foreign minister, was very precise about the debt problem. When the Brazilian foreign minister's speech can be applauded by the Cuban delegation and the Cuban speech is applauded by almost all the delegations--including some whose chiefs of state would be upset when they heard--something is happening.

However, we must not have false hopes. The determination to advance is there but the difficulties are not easy to overcome. U.S. imperialism is already using all its means of threats, pressure, individual concessions, etc. It is not an easy battle. There will be failures, desertions and wavering. The main characteristics of our economies do not really complement each other. It is possible, however, to begin to apply programs in which each of our countries

can better use its resources in such a way as to produce growing cooperation and integration. SELA was made responsible for the continuity of the Quito decisions. Other regional organizations will be concerned with promoting the different sectors.

There is one obvious fact: neither U.S. imperialism nor other industrial centers of the capitalist system are willing or able to quickly solve the problems of the international economy which the Quito Declaration analyzed and criticized. At the beginning of the Quito meeting, there was an attempt to introduce in the declaration a hopeful prediction on the positive effects that the slight recovery of the U.S. economy might have on the international economy. That disappeared facing the critical and scientific statements by many representatives of different countries. They pointed out the temporariness and inadequacy of the U.S. recovery and its lack of significance for the underdeveloped countries as long as the present structure of the international economy prevails. The worst goes to the countries fighting for their development.

I can assure you that, in my personal contacts with chiefs of state and government and other representatives of the Latin American and Caribbean countries, I found a common, realistic but determined desire to correct the big mistake Cuba pointed out in our speech: believing that each one can save himself alone and negotiate individually while others fight the common enemies. That idea has weakened our forces and led the powerful imperialist centers to play with our interests. It gives them the luxury of ignoring our protests.

Question: On many occasions over the decades, your /cutting words/ have acted as a scalpel to dissect U.S. neocolonial domination in Latin America. We recently read an article you wrote in 1948, "A congress for the freedom of Latin America." In one of its chapters, you analyzed Latin American economic needs. We would like to know, based on the period from the end of World War II until now, what basic changes have occurred on both sides of the "dividing line" that both separates and joins the exploiters and exploited in the system of imperialist domination? How have those changes been reflected in the recently concluded Latin American Economic Conference convoked by the Ecuadorean president, Dr Osvaldo Hurtado?

Answer: Many of the articles that I and other anti-imperialist leaders and writers published in the three decades that preceded the Cuban Revolution indicated the need to look for roads to unite the dispersed forces of our countries. At the congress to which that article refers, democratic forces, union groups and some leaders of Latin American stature--almost always isolated from the governments of our countries--met together. They were the vanguard forces which met and outlined the program. What is new about the Latin American Economic Conference is that chiefs of state and government and representatives of the governments of each of our countries met. That indicates that the crisis that Latin America suffers is so profound that it forces all the governments to take defensive positions and to join a broader program like the one shaped at the conference.

Obviously, some of the governments meeting in Quito represent reactionary oligarchies that will eventually have to disappear so that their countries can have the structural political and economic solutions that they need. Otherwise, they cannot end the crisis. Even those governments reveal a new situation by going to Quito and approving the declaration and the plan of action. They are forced to align themselves within the Latin American and Caribbean framework.

This reflects the crisis of imperialism in America. The years after the Fulton Declaration made by Churchill--considered the ideological beginning of the "Cold War"--constitute a period when imperialism exploited the international situation to incorporate the vast majority of the countries in Latin America. This was when the famous TIAR [Inter-American Reciprocal Assistance Treaty] appeared. The crisis was accentuated 34 years later during the Falkland Islands incident. Since then, there have been many attempts to unite Latin America for defense and action. The Cuban Revolution was an important time. However, imperialism had the economic and political conditions then, with the lure of the "Alliance for Progress," to prevent the unity of progressive groups and to unite almost all the governments of Latin America in the fight against Cuba. At this time, the Caribbean had few independent English-speaking countries. Washington also got rid of governments that did not join in the anti-Cuban maneuvers like Goulart in Brazil, Arosemena in Ecuador, Argentina, etc. This was the time when Cuba demonstrated that the OAS had become a U.S. ministry of colonies.

In Quito the situation was different. No one would make the mistake of presenting the Quito meeting as an anti-imperialist meeting; it was far from that. It was not a homogeneous meeting since Honduras, El Salvador, Chile and Uruguay were represented by their current governments. However, the meeting in Ecuador made it possible to evaluate the disagreement of all Latin America with the system of economic and financial relations that has helped impoverish it for centuries. This system was perfected during the age of the multinational companies.

The crisis between Latin America and the United States that the Quito Conference clearly shows is much deeper than the already serious conflicts that existed 30 or 40 years ago.

Question: This conference was held at a time when Latin America was going through one of the most critical periods of its economic "development" and when the resounding failure of the economic plans and programs designed and put into practice jointly by the Latin American bourgeoisie and imperialism has become obvious. Meanwhile, the Cuban socialist economy shows a development that contrasts with that situation of crisis. What impact did that obvious contrast, especially the results achieved by Cuba during the past year when the main Latin American economic indicators suffered a significant decline, have on those attending?

Answer: It is obvious that the data provided by the Cuban delegation in its speech on our economic development had to arouse the interest of those present. I would like to point out that, in a certain sense, our presence in Quito was

the continuation of a theoretical and political debate we had been holding in Latin American conferences. Facing the experiment of the Cuban Revolution, there was an attempt to flaunt the apparent "miracle" of Brazil and other Latin American experiments that seemed spectacular. Those debates have ended now with the victory of the Cuban positions. The "Brazilian miracle" was left behind. The need for structural transformations that we representatives from Cuba have supported in all Latin American forums in recent years has increased. The famous "pillars of development" have become centers of crisis while the overwhelming poverty that surrounded them and that was supposed to disappear has become more extreme, leading to a protest that is more uncontrollable each day. Cuba, without being immodest, can say that its socialist example indicates one solution.

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## NEW NICKEL PROCESSING PLANT DISCUSSED

Havana TRABAJADORES in Spanish 8 Dec 83 p 1

[Article by Luis Perez of AIN, National News Service]

[Text] A new nickel processing plant, similar to the one being assembled in the Punta Gorda area, is being established at Moa, except that in this case technical assistance is being provided through CEMA, Council on Economic Mutual Assistance.

The very acronym [CAME in Spanish] of that prestigious organization of the community of socialist nations is being taken over as the name of the future industrial plant which is to be located at Las Camariocas, some 10 kilometers from the first one.

With a view to the mining-metallurgical development of this region of vast mineral deposits, clearing of the land has begun for the construction of the so-called CAME-1 plant which will have a production capacity of 30,000 metric tons a year.

In contrast to Punta Gorda, where construction and installation are to be done in collaboration with the USSR--following the contracting and planning stage--at the Moa plant the USSR, Bulgaria, Rumania, Czechoslovakia, the German Democratic Republic, and of course Cuba, are participating.

It is expected that its volume of production will be similar to that of Punta Gorda. Operating in an area of more than 1.119 million square meters, it will have three production lines, each of which will produce 10,000 metric tons yearly of nickel and cobalt.

The total investment will exceed 500 million pesos, the second largest industrial plant ever built in the country. The largest is the gigantic one of Punta Gorda.

When it goes into operation, 4,200 workers will be employed and Moa will gradually become a source of national exportable funds.

9204

CSO: 3248/409

## BRIEFS

**SALT RATIONING ENDS**--Effective 28 December 1983, the rationing of salt and its sale on the parallel market will be eliminated. Instead all salt will be sold on the free market throughout the country at the fixed price of 10 centavos a pound. When the supply of a product sold on the parallel market increases, rationing can be ended but when this happens, a fixed price must be established which is different from the existing prices in both markets and is capable of guaranteeing a stable supply in view of the new demand for it. In the case of salt the existing supply, as a result of the implementation of the greater part of the investment program, makes this action possible. Effective this date, salt of superior quality, which will be offered in 500 gram bags at 20 centavos a bag, will also be sold on the free market. Ministry of Domestic Trade, State Committee for Prices. [Text] [Havana GRANMA in Spanish 16 Dec 83 p 3] 9204

**NEW SHIP FOR MERCHANT MARINE**--Moscow, 8 Dec (PL)--Cuba has received from the USSR the ship "Antonio Guitera," the sixth "Dniepr"-type vessel that is to be incorporated into the Cuban merchant fleet. Julio Perea Gonzalez, deputy director of MARPESCA [Cuban Enterprise for Importing Merchant and Fishing Ships] said that the delivery of the ship at Odessa was an occasion for the workers at that Black Sea port and the representatives of the Kherson, Ukraine, shipyards to reaffirm traditional Soviet solidarity with the Cuban people. The ship, with a dead weight of 14,900 tons, has a hold capacity of 21,690 cubic meters of loose cargo or 458 containers, and a cruising speed of 18 knots. The other "Dniepr"-type ships already in service in the Cuban fleet are the "XI Festival," the "Ruben Martinez Villema," the "Julio Antonio Mella," the "Jose Antonio Echeverria" and the "30 de Noviembre." [Text] [Havana GRANMA in Spanish 9 Dec 83 p 5] 9204

**PLANS FOR SUPERTANKER FACILITY**--The first part of the studies for the construction of a gigantic base for supertankers on the shores of Matanzas Bay will be completed in March 1984. This involves geological, geophysical and topographic studies of 1.8 million square meters of land on the coastal area near Punta de Sabanilla. This work is being done by the Estroiziskania Expedition of the Engineering-Geological Studies Enterprise of the USSR which is collecting the necessary scientific-technical information for subsequent elaboration of the project to be carried out in our sister nation by the Gipronektetrans Enterprise of Volgograd. At present, 21 Soviet experts and workers are doing the study with the support of a mechanized brigade of the Industrial Projects Construction Enterprise No 4. This will be the largest project undertaken by the revolution in Matanzas. A large labor force will be needed to carry this out. A large part of these will be youths discharged from

military service. It will also employ about 600 workers mobilized in the country's eastern provinces. Most of the petroleum imported from the USSR will enter Cuba through this port in supertankers of over 100,000 tons. Three docks will be constructed for their use. [Text] [Havan TRABAJADORES in Spanish  
20 Dec 83 p 1/ 9204

NEW AMBASSADOR TO SYRIA--The Council of State has designated Comrade Jacinto Vazquez de la Garza ambassador extraordinary and plenipotentiary of the Republic of Cuba to the Syrian Arab Republic. Comrade Vazquez de la Garza formerly held the post of Cuban ambassador to Lebanon. [Text] [FL151612 Havana Domestic Service in Spanish 1200 GMT 15 Feb 84]

NEW AMBASSADOR TO LAOS--The Council of State has designated Comrade Mario Garcia Vazquez as Cuba's ambassador to the People's Democratic Republic of Laos. At the time of his appointment, Comrade Garcia Vazquez was serving as deputy director of the Foreign Ministry's Regional Directorate for Western Europe. [Text] [FL161312 Havana Domestic Service in Spanish 1100 GMT 16 Feb 84 FL]

CSO: 3248/454

## COCOA ASSOCIATION ON COCOA EXPORTS, EARNINGS

FL011852 Bridgetown CANA in English 1643 GMT 1 Mar 84

[Report by Alister Hughes]

[Text] St Georges, Grenada, 1 Mar (CANA)--Grenada's cocoa exports in 1982-83 were up by 500,000 pounds over 1981-82 shipments, but revenue was down by 2.2 million East Caribbean dollars (1 EC dollar ; 37 cents U.S.), according to Norbert Arnold, executive secretary of the Grenada Cocoa Association.

Despite the revenue fall, the association payout to farmers for 1982-83 sales will be up by [figure indistinct] E.C. dollars, Arnold said on radio last night.

The association, a statutory body which handles all cocoa exports, is to pay 4.2 million East Caribbean dollars to farmers on the basis of performance during the trading year that ended last September 30.

In 1981/82, 4.5 million pounds of cocoa were exported that earned Grenada 13.5 million East Caribbean dollars. In 1982/83 the weight of exports rose to 5 million pounds, but earnings dropped by 16.1 per cent to 11.3 million.

The unfavourable performance of the industry, Arnold said, was due to many problems and hardships, among them the drop in world market prices, the increasing cost of inputs, praedial larceny, and what Arnold said was the demoralization of the farming community caused by "political uncertainty" and "industrial sabotage" fostered by some trade unions.

"After careful consideration" and "rationalisation of the association's funds," the association had decided to increase its payout to farmers, Arnold said. He described the outlook for the 1983-84 crop as promising because of the "proposed increase" in the world price of cocoa.

There was an increased demand for Grenada's cocoa, he said, adding that the entire 1983/84 crop had already been sold and the sale of the 1984/85 crop had commenced. "The association is presently unable to meet the demand for Grenada's cocoa," he said, "and we are therefore appealing to farmers to make a desperate drive towards increasing production."

As an incentive, Arnold said, the price of fertilizer had been dropped from 22 EC dollars to 19.00 EC dollars a bag.

The interim government has been requested to allow farmers to acquire firearms as a deterrent against praedial larceny, he added.

REPORTAGE ON ACTIONS OF GOVERNMENT TRIBUNAL

Release of PRA Soldiers Possible

FL241720 Bridgetown CANA in English 1543 GMT 24 Feb 84

[Text] St Georges, Grenada, 24 Feb (CANA)--A tribunal set up by Grenada's interim government to review the cases of detainees held on suspicion of involvement in last October's bloody military coup is likely to recommend the release of three former soldiers of the disbanded People's Revolutionary Army (PRA), well placed government sources said today.

They said the authorities had not produced sufficient evidence before the tribunal to support the continued detention of senior officers Keith Roberts, Don Roberts, and Ashley Foulkes.

The trio, who have already put in appearances before the body, are among nearly 40 persons in detention at the Richmond Hill Prison, 18 of whom were charged this week with murder or conspiring to murder Prime Minister Maurice Bishop and half of his cabinet in the coup.

The sources said the tribunal had not yet put its recommendations in writing to the head of interim government, Nicholas Brathwaite, who is responsible for security matters.

Ex-Deputy Prime Minister Bernard Coard and ex-Army Commander, Hudson Austin, the suspected masterminds of the coup plot, have both been charged with conspiring to murder Bishop and seven others. Seven soldiers have been charged with murder.

Detainees' Status Reviewed

FL232045 Bridgetown CANA in English 1532 GMT 23 Feb 84

[Text] St Georges, Grenada, 23 Feb (CANA)--A government-appointed detention tribunal set up to review the status of persons held in connection with last October's bloody military coup in Grenada meets here today to hear a request from a third detainee, Major Keith Roberts, to be released from custody, informed sources said.

Major Roberts was a member of the short-lived military junta that seized power last October killing Prime Minister Maurice Bishop and several others. The junta was ousted by a U.S.-led military intervention.

The sources said that the Tribunal, headed by Magistrate Lyle St Paul, has recommended the release of another ex-soldier, Don Roberts, from detention at the Richmond Hill Prison.

The Tribunal felt that there was insufficient evidence to warrant the continued detention of the former counter-intelligence officer, the sources said.

They added that Roberts could be released within one week. His release requires the signature of the head of the three-month-old caretaker government, Nicholas Brathwaite, who is not due back from an official visit to the United States until Sunday.

The first case reviewed by the Tribunal was that of ex-soldier Ashley Folkes, whom it had recommended be released, but this was rejected by the government on the grounds that there was additional evidence to warrant his continued detention.

CSO: 3298/1130

COARD, AUSTIN, OTHERS ARRAIGNED

FL231431 Bridgetown CANA in English 1656 GMT 22 Feb 84

[Report by George Worme]

[Text] St Georges, Grenada, 22 Feb (CANA)--Eighteen of Grenada's former political and military leaders appeared in a magistrate's court here today to answer charges of murder and conspiracy to murder arising out of the slaying of Prime Minister Maurice Bishop and half of his cabinet in last October's military coup.

Former Deputy Prime Minister Bernard Coard and ex-Army Commander, General Hudson Austin, the suspected masterminds of the plot, were charged with conspiracy to murder along with nine others under a 1980 Terrorism Prevention Law passed by the ousted People's Revolutionary Government.

Seven former soldiers of the disbanded People's Revolutionary Army (PRA), including Major Christopher Stroude, Captain Lester Redhead and Lieutenant Iman Abudllah, were charged with the murder of Bishop, Foreign Minister Unison Whiteman, Education Minister Jacqueline Creft, Housing Minister Norris Bain and four others.

The cases were all adjourned until April 4 at the prosecution's request.

Magistrate Lyle St Paul said he would hold a preliminary enquiry into the charges--laid against the 18 earlier today--and if there was sufficient evidence, he will commit them to stand trial before the high court.

Crown Counsel Anselm Clouden asked for a 32 day adjournment after which he said the prosecution will proceed with its case against the accused.

The 18 were driven back to the top security Richmond Hill Prison under tight security after their court appearance.

Tight security was mounted all around the courthouse where only journalists, security personnel, and diplomatic personnel were allowed in to witness the proceedings.

Outside, police and soldiers had difficulty restraining a crowd that grew to an estimated 1,000. People often lurched forward towards the accused, shouting "kill them," "hang all of them."

Charged along with Coard and Austin for conspiracy to murder were ex-junior Ministers Phyllis Coard (Coard's wife), Liam James, Kamau McBarnette, Ewart Layne, and Tan Bartholomew, ex-Ambassador to Cuba Leon Cornwall, ex-Cabinet Minister Selwyn Strachan, Trade Unionist John Ventour, and former soldier Ian St Bernard.

Charged with murder are Redhead, Abdullah, Stroude, Fabian Gabriel, Andy Mitchell, Vincent Joseph, and Cosmos Richardson.

Under the terrorism prevention law, there is no provision for trial by jury. Coard, Austin, and others who will be so tried face a maximum penalty of death if convicted.

The slaying of Bishop was the culmination of a bitter struggle between himself and Coard, a hardline Marxist, for the leadership of the New Jewel Movement (NJM) and the government.

The eight persons for whose murder the accused have been charged are: Bishop, Whiteman, Creft, Bain, trade unionist Fitzroy Bain, garage owner Evelyn Maitland, and insurance executives Evelyn Bullen and Keith Hayling.

Austin headed the short-lived Revolutionary Council (RMC) that took over the government after Bishop's overthrow and the dissolution of his government. Those charged who were RMC members are Stroude, Redhead, James, Cornwall, St Bernard, Layne, and Batholomew.

The junta was ousted by U.S.-led multinational force that intervened on October 25. All of the military leaders were subsequently arrested by the foreign forces.

CSO: 3298/1130

## NUCLEAR ENERGY USE IN AGRICULTURE, MEDICINE PROMOTED

Caracas EL NACIONAL in Spanish 13 Jan 84 p A8

[Article by Eduardo Pineda G.]

[Text] In 1983, the General Office of Nuclear Energy basically continued the program whose principal objective is to attain a physical, human and technological infrastructure that will provide efficient support for the country's economic and social development through the use and application of science and nuclear technology in the areas of health, agriculture, industry and research in general.

## Accomplishments

Agriculture Sector: Work continued on the program to promote, apply and develop nuclear technology in agriculture, principally in research aimed at improving the productivity and quality of harvests through radiation-induced mutations, and the preservation of food by irradiation.

Projects: "Improving the Nutritional Quality of Beans through Gamma Radiations of Cobalt-60." The second and third generations of the Cuarentena, Suchitan, San Martin and Jutiapan varieties were harvested, and now the material obtained is undergoing biochemical tests to determine if there are any variations in the total protein content.

"Inhibition of the Outbreak of Tubercle Gemmae in Potatoes through Irradiation with Cobalt-60." The main purpose of the project is to determine what storage conditions and radiation doses are needed to prolong the storage period without the need for refrigeration.

A project was designed for the utilization of radioisotopes in agriculture, the goal being to introduce the use of nuclear technology in the study of the soil-fertilizers-water-plant ratios in order to make better use of fertilizers and improve agricultural productivity. Technical assistance has been requested from the International Atomic Energy Agency (IAEA) for this project, and the request has been granted.

Nuclear technology is being used at an experimental level to determine the density and humidity of soils for devising irrigation programs.

Health Sector: Activities in this sector have been geared toward the establishment of a Nuclear Medicine Unit that would promote the use of nuclear technology in medicine to the benefit of the country's sick. The laboratory was set up at the San Juan de Dios General Hospital, thanks to the Cooperation Agreement signed previously between the General Office of Nuclear Energy and that hospital.

The Study to Determine the Carcino-embryonic Antigen by Radioimmunoanalysis in Post-Operative Patients with Colo-rectal Carcinoma, Confirmed by Histopathological Diagnosis, has begun. The preliminary results indicate that this technique could be very beneficial for the follow-up and prognosis of the neoplastic patient, so the study will continue in order to reach conclusions on the basis of a higher number of cases.

The "Preparation and Quality Control of Radioactive Medication" Project was begun for the purpose of developing a local capacity for the preparation and control of the radioactive drugs to be used in the principal national hospitals. This will reduce the costs of the service and maintain strict quality control. Technical assistance has been requested from the IAEA, and has been granted.

Industrial Sector: Activities in this sector were oriented toward setting up a Nuclear Testing Laboratory to be used as a National Center for Applied Research in the Nuclear Sciences, and to carry out practical projects for industry, mining, archeology and teaching. This year the laboratory was equipped with assistance from the IAEA.

Work continued on the study of Contamination by Heavy Metals in the Valley of Guatemala City, using the technique of X-ray blooming. The collection of aerosol samples in the capital city has finished, and the samples are now being analyzed.

The General Office of Nuclear Energy joined the Regional Project for Latin America and the Caribbean on Non-Destructive Testing, which aims to introduce new industrial quality control techniques in the country, to standardize regulations throughout the region, and to train Guatemalan personnel in the area of non-destructive testing.

Radiological Protection Sector: The Radiological Protection Section was established in order to monitor and control the doses of radiation received by the country's technical personnel who work with equipment that gives off ionizing radiation, and to promote precision in dosimetry and radiation protection, principally in the medical, industrial and agricultural applications. Technical support is provided to the various nuclear projects that are underway in the country.

A request was put in to the IAEA to obtain technical assistance to equip the Dosimetry and Radiation Protection Laboratory which the General Office of Nuclear Energy plans to build in 1984. The request was accepted by the international agency, and the equipment needed for the laboratory will be supplied in 1984-1985, when the physical construction is completed by the Guatemalan Government.

## Miscellaneous Activities

A Cooperation Agreement was signed by the General Office of Nuclear Energy and the National Institute of Seismology, Vulcanology, Meteorology and Hydrology (INSIVUMEH) to work together on the use of nuclear technology in the area of isotopic hydrology, primarily in the study of the changes in level of Lake Peten Itza. These changes have caused serious damage to the national economy and to local inhabitants. Technical assistance for the study was requested of the IAEA, and was granted.

At the invitation of the General Office of Nuclear Energy, in February 1983 the IAEA sent a Planning Mission to discuss development plans and to undertake a thorough examination of the country's nuclear needs. As a result of that mission, the IAEA approved technical assistance never before obtained in the history of nuclear energy in Guatemala. Thanks to these efforts, the IAEA will provide equipment, scholarships and expert services to carry out projects in medicine, agriculture, mining, hydrology, radiological protection and nuclear legislation.

In 1983, Guatemala joined the International Nuclear Documentation System (INIS), becoming the 70th member state of the International Atomic Energy Agency and the first Central American nation to participate in the INIS.

Guatemala was represented at the 27th Regular General Conference of the IAEA, where along with experts from that agency the various projects being carried out in Guatemala under the auspices of the IAEA were evaluated. In addition, the requests for assistance submitted by our country for consideration during the Regular Session of 1984 were also studied.

8926

CSO: 3248/443

## INCREASE IN NEW UNIONS CALLED 'MARK OF PROGRESS'

Guatemala City DIARIO EL GRAFICO in Spanish 31 Jan 84 pp 2, 43

[Text] There is freedom to organize unions, and 14 more organizations are going to be authorized by the government. This was announced at the working meeting held under the cabinet's new method of operation as established by Gen Oscar Humberto Mejia Victores.

During the working meeting, according to Ramon Zelada Carrillo, under secretary for public relations, the minister of economy reported on how the border problem with El Salvador and Honduras had been solved.

The official added that in addition to other problems dealt with, Minister of Labor Carlos Padilla Natareno reported on a few aspects of union development. He said it was useful to reveal and analyze the situation of various workers whose wages are not in line with the country's situation and basic consumption levels. That analysis covered various spheres of activity and social strata in the country.

Zelada Carrillo said that during the report, it was concluded that Guatemala cannot make progress as long as workers are receiving wages so low that they cannot satisfy their minimum needs. Zelada Carrillo said: "It is not only the study carried out by the Ministry of Labor that is very constructive: also constructive is the minister's success in maintaining relations between employees and employers." This, he said, is an indication of the labor policy being implemented by the current regime in an atmosphere of progress and understanding. One mark of progress in this area, he said, is that about 140 unions have already been authorized and that they are all working in full awareness that they are part of a group to protect their union interests and are not being led by political sectors.

He concluded by saying: "We are pleased that we are in a climate of progress and confidence in the field of labor."

11798

CSO: 3248/404

## SOLUTIONS TO LAKE PETEN ITZA FLOODING DISCUSSED

Guatemala City PRENSA LIBRE in Spanish 30 Jan 84 p 25

[Article by Alvaro Galvez Mis]

[Text] The rising waters of Lake Peten Itza have already caused material losses exceeding 15 million quetzals, according to the emergency committee formed to solve the problem. It says that 12 hotels, several public buildings, and 5,000 residences are currently underwater.

The towns most affected have been Ciudad Flores, Santa Elena, San Benito, San Miguel, San Andres, El Remate, and other small villages located on the shore of the lake. The inhabitants are in the grip of distress and uncertainty because the flooding is slowly but inexorably growing worse.

Sometimes, when the rain stops for a while, the flooding recedes by some 50 centimeters, but when the showers resume, the lake's water rises again by twice that figure.

Residents have lost hope that Lake Peten Itza will return to its normal level.

There is general alarm in the community, since on the basis of observations made by UN experts some time ago, forecasts are that the lake might rise by another 3 meters. This would mean the complete inundation of the central area of El Peten Department [administrative subdivision].

The most disturbing thing is that so far, the authorities have done nothing. They do not seem to care about the emergency that is continuing to play havoc. Many of El Peten's residents have practically been thrown into the street, and the hotel industry, in which millions have been invested and which provides jobs for many people, is on the verge of disappearing beneath the waters of the Chaltunha.

There are several plans that might solve the problem permanently, but they are expensive.

For example, there is talk of draining the water through a pumping system. This would carry excess water to the river known as the Cantetul, which flows 12 kilometers from Lake Peten Itza.

Another solution would be to build a canal or tunnel that would also take the water to the Cantetul, whose bed is much lower than the surface of the lake. Dynamite might also be used to open up the natural outlets that may have been blocked by excessive sediment, according to hydrologist Jorge Galindo.

"There has been thought of dredging certain parts of the bank to eliminate mud or sediment, with the idea of looking for outlets in the lake bed that would carry the water away naturally.

"In addition, engineer Romeo Samayoa recently suggested a new preliminary plan for taking the water away through a canal to the source of the Subin River, 25 kilometers from Ciudad Flores."

In connection with the canal system, there is a plan to use the rainy-season river known as the Pijul, which would carry the excess water to the San Francisco lowlands, where there are several streams that would drain the extra water into watering places, ponds, and other places where many agricultural areas are currently facing problems due to a lack of that vital liquid.

If equipment belonging to the FYDEP [National Enterprise for the Economic Promotion and Development of El Peten] or the Army Engineer Battalion were used to build the canal, the cost would be lower. According to engineers who have observed the flooding, 200,000 quetzals might have to be invested in building a canal.

Some military men feel otherwise and are shying away from the emergency. They say it would be cheaper to build a new city for the victims than to build a canal, tunnel, pumping system, and so on.

"But the emergency committee regards that idea as inhumane, stupid, and unnatural. It is not possible to allow Flores Island, San Benito, and Santa Elena, which have been inhabited for 600 years, to be flooded out just like that without doing anything to stop it."

The committee feels that if the FYDEP is unable, for financial reasons, to build the canal, it is urgent that the army identify itself with this cruel situation before other hard-to-solve problems are generated.

Flores can be regarded as a tourist center of significant importance that must be protected along with other adjoining communities (business centers). It is not possible to abandon Peten's residents at such a crucial moment as that represented by the flooding, which is growing much worse with every passing day.

Last week, the department in crisis was visited by several experts from INSIVUMEH [National Institute of Seismology, Vulcanology, Meteorology and Hydrology] for the purpose of finding possible solutions. But those studies could take 2 years to complete, it is said, and by then "it would be too late."

INSIVUMEH must expedite its studies and complete them within 3 months if possible so that the rest of the year can be spent obtaining financing for the project to solve the problem.

The emergency committee has criticized the Ministry of Public Health and Social Welfare because the flooding has also been causing various diseases in the central area of El Peten and the current minister has been apathetic toward the serious situation.

11798

CSO: 3248/404

## MLN, DCG BLAME GOVERNMENT FOR VIOLENCE AGAINST MEMBERS

Guatemala City LA RAZON in Spanish 16 Feb 84 p 4

[Text] The National Liberation Movement (MLN), a political organization, in its public denunciation of the kidnapping of one of its leaders, tacitly accused members of the security forces of committing this kind of act. It expressed its regret that "underlings" would perpetrate such crimes, which serve only to tarnish the administration of Gen Oscar Humberto Mejia Victores.

In a specific statement which also sets forth its reaction to the wave of violence that is overtaking our country, the MLN asserted that the acts of violence that are taking place now bring back memories of the days and years of terror before Gen Fernando Romeo Lucas Garcia was overthrown.

In this regard, the statement emphasizes that those who were responsible for those days of terror were backed by then President Fernando Romeo Lucas, National Police Director General German Chupina Barahona, and Interior Minister Donald Alvarez Ruiz. Thus, the organization accuses the security forces of being involved in illegal acts.

It also stressed its "regret that underlings" commit outrages whose immediate consequence is to tarnish the reputation of Gen Mejia Victores' administration.

#### Government Can Recover

According to the National Liberation Movement, it is not too late for the government of Gen Mejia Victores to get back on the track of lawfulness and honor and to make a greater effort to guarantee the security of Guatemalan citizens and their heritage.

The statement also denounced the physical aggression against the organization's director, accounting expert Jose Antonio Parada Tunchez, and his subsequent kidnapping, in the nearby town of Villa Nueva.

The MLN leader was taken by surprise in his home in that town at approximately 1300 hours last Sunday, by six armed men who were driving a yellow Chevrolet, identified with license plate number P-58193.

According to reports obtained from the MLN leadership, Parada Tunchez was physically threatened in front of his 9-year-old daughter, and was then taken by force out of the house and put in the vehicle.

The MLN statement adds that the wife of the kidnapped MLN leader, Carmen Quinonez de Parada, assuming that he would be found, went to various offices of the National Police and the Department of Technical Investigations (DIT), where she asked for him but was told he was not being held there.

In view of this situation, she decided to make a public denunciation of the incident and demanded that the government immediately clear up what had happened.

#### Another Act of Political Violence

Statements by several political organizations concerning the rise in violence all over the country lead to the conclusion that the kidnapping of MLN leader Jose Antonio Parada, judging by the circumstances under which it took place, is probably in the incubation period.

The Guatemalan Christian Democratic Party (DC) has already commented on the upsurge of violence, and has noted that two kinds of violence occur: common and political.

With regard to the second type, the DC explained that often it stems from the capricious and arbitrary enforcement of the law by low-level officials, particularly in the interior of the country.

These minor officials many times repress not only political leaders who are not of their persuasion, but also people who in one way or another are connected with those leaders.

The DC expressed its concern about this situation, as have the National Renewal Party, the Authentic Nationalist Center (CAN), the Democratic Civic Front and other political organizations.

#### Controversial Case of Galvez Loaiza

The kidnapping and murder of the leader of the committee for the establishment of the "New Force" (FN) social democratic party, Jorge Galvez Loaiza, has become controversial because the members of that political organization consider it a political crime, but on the government level it has been interpreted as a common crime.

In a harsh reaction, the top leaders of the New Force rejected as "tendentious, immoral and false" the statements made by the former chief of the Judicial Police and current spokesman of the de facto government, Pablo Nuila Hub, in an attempt to cover up the truth about the cowardly murder of Jorge Galvez Loaiza, secretary of the central district of the New Force. He is also trying to denigrate the memory of our martyred leader."

A communique from that organization, signed by the National Executive Committee, claimed that the Galvez Loaiza murder "was the murder of a man who by sheer effort was able to rise from the extreme poverty into which he was born, to attain a stable economic position."

The statement indicated that the leader's long working hours "did not prevent him from expressing his social concerns through political activity by participating in campaigns for the municipal mayorship and, more recently, in the New Force.

#### Government Version

The government version of the story, presented by Col Pablo Nuila Hub, indicated that Jorge Galvez Loaiza's case could be considered a matter of common violence. Nuila Hub revealed that years earlier the leader had received a death threat.

He denied that any political violence is beginning for the purpose of thwarting the political process of returning to a constitutional government.

#### FN Challenge

The New Force also challenged the government official, posing the following questions: If it was known that Jorge Galvez Loaiza's life had been threatened, why was no action taken to prevent these threats from being carried out? If Jorge Galvez Loaiza was the victim of common criminals, why was he robbed of the lists of followers or members, which did not turn up?

The New Force goes on to ask, if the murderers were "common criminals," how could they act with complete impunity, driving around in vehicles without license plates, carrying specialized weapons of calibers ordinary civilians are forbidden to use? How could they kidnap Galvez Loaiza in front of nearly 20 persons, escaping through an area that is usually heavily guarded?

8926

CSO: 3248/443

## GOVERNMENT PLANS REFORM OF PUBLIC SECTOR ADMINISTRATION

Kingston THE DAILY GLEANER in English 9 Feb 84 pp 1, 3, 15

[Text] A COMPREHENSIVE REFORM of the public sector administrative machinery is being undertaken by the Government, and will commence with major restructuring of Ministries responsible for the Government financial management and the Civil Service.

This was announced on Tuesday by Prime Minister Edward Seaga as he chaired the first meeting of the Inter-Ministerial Committee on Administrative Reform which will oversee the programme. The Vice-Chairman of the Committee is the Hon. Errol Anderson, Minister of the Public Service.

In making the announcement, the Prime Minister said that the reform of public-sector management was being undertaken as part of the Structural Adjustment Programme, and was intended to make the performance of the entire public sector more efficient and productive, enhance the prestige of the Public Service, and improve morale.

The Inter-Ministerial Committee will be comprised of two Task Forces in the first instance: a Financial Management Reform Task Force under the chairmanship of the Financial Secretary, which will have as its Executive Director, Mr. Rudolph Irvine, former Auditor General of Jamaica; and a Committee on the Reform of the Civil Service, to be chaired by Mr. Gordon Wells, Permanent Secretary in the Ministry of the Public Service, Mrs. Marie Slyfield, presently Senior Lecturer in the Administrative Staff College, will be Executive Director of this committee.

Each Task Force will have working committees and will be assisted by a team of consultants provided by the World Bank. These include consultants who have been engaged in carrying out management audits on various aspects of the public sector.

Reports will be submitted by the Task Force to the Inter-Ministerial Committee every

two months, and work on implementation will be on-going. It is expected that most of the reforms will be instituted within two years, a news release from the Office of the Prime Minister said.

The Prime Minister said that the reforms will focus on the two Ministries which are most critical to the Government's programmes — the Ministry of Fi-

nance and the Ministry of the Public Service.

"As in the case of other areas in which we have undertaken to carry out re-organisation and reform of the administrative process," the Prime Minister said, "we have begun with management audits.

"This was done in respect of the public utilities and public enterprises for which there now exists almost a complete set of management audits, including the National Water Commission, various commodity boards, Jamaica Public Service Co. Ltd. etc., and these management audits have been the basis on which the re-structuring is taking place of the administration of these agencies to enable better functioning.

"On this same basis," the Prime Minister continued, "we commissioned audits of the Ministry of Finance and Planning and of the Ministry of the Public Service. These management audits have been completed and are now ready for implementation.

"What we are engaged in now, therefore," the Prime Minister said, "is setting up the teams to carry out the necessary implementation of the reform programmes to deal with the defects and shortcomings that have been determined by the management audits."

Among the areas of reform to be addressed by the Committee on Reform of the Civil Service are improved compensation for management, professional and technical personnel; and improvement and

modernisation of the human resource management of the public sector, including the decentralisation of decision-making in certain key areas.

The Ministry of the Public Service and the Office of the Services Commission, the central personnel management agencies of the Government, will be re-structured to concentrate on policy-making, regulating and monitoring finances, and the provision of central services.

The Financial Management Reform Task Force will prepare implementation plans and monitor the implementation of the recommendations made by the World Bank Consultants.

These recommendations include, in relation to the Ministry of Finance and Planning, changes in the organization structure, strengthening the office of Financial Secretary, supervision of a financial officers' corps to be established, improving controls over the financial operations of public enterprises, and placement of authority to co-ordinate the actions of the various entities involved in all phases of financial management.

In relation to the Accountant-General, the recommendations include improving management of the Consolidated Fund and the accounting for public debt. On a service-wide basis, a system of performance budgeting is to be instituted, and training in financial management and accounting is to be intensified.

"These reforms of a wide range of administrative services," the Prime Minister said, "are in keeping with the need to reduce bureaucracy, improve efficiency, and introduce mechanisms and technologies to improve our techniques for gathering information so as to enable the decision making process to take place more effectively.

"Government is committed to the continuation of the programme until all areas of administrative practices are reviewed and the Civil Service is streamlined to meet the growing needs of public administration."

"Critical to this," the Prime Minister added, "is the computerization of data relating to personnel in the Civil Service so as to enable a profile to be prepared to give the Government, for the first time, a complete picture of the composition of the Civil Service in terms of basic skills, age groups, sex, professional capabilities, temporary and permanent position, etc."

"This information is vital to the assessment of areas of the Service which require priority treatment in any overall assessment," he said.

The Prime Minister also disclosed that, under the Tax Reform Programme which is being undertaken by a team of U.S./AID experts and the Revenue Board, an assessment of the administration of the Customs services is now taking place which will lead to the re-organisation of that Service, which is critical to the smooth operation of trade and the revenues.

## CEMAI PRESIDENT REPORTS RENEWED FOREIGN INVESTMENT TALKS

Mexico City UNOMASUNO in Spanish 10 Jan 84 pp 1, 10

[Article by Angelica Quesada]

[Text] The president of the Mexican Business Council for International Affairs [CEMAI], Pablo Garcia Barbachano, reported yesterday the resumption of negotiations to maintain the flow of new foreign investment, which, he said, fell by two thirds last year due to the suspension of payments on the Mexican private sector debt to banks and international suppliers.

He maintained that the stopping of payments by business sector debtors, because of shortage of foreign exchange, caused "uncertainty" among foreign investors, who, in order to step up the pace of the payments, in effect suspended the flow of their capital into our country. Even so, the private external debt, after restructuring by the trusteeship for the Coverage of Foreign Exchange Risks [Ficorca], was reduced from \$22 billion to approximately \$7 billion.

According to information from the office of the undersecretary of foreign investment, the flow of foreign capital contracted from \$462.7 million in 1982, to \$140 million last year, after having achieved in 1981 a figure without precedent in history: \$1,081,300,000.

The president of the Hispanic Chambers of Commerce of the United States, Hector Barreto, expressed his view that lack of confidence about setting up business in Mexico persist among U.S. investors.

However, he noted that a study by the Dallas, Texas, Chamber of Commerce holds that this is the best time to invest in our country, due to the cutback in public and private investment, and the fall in production.

Barreto pointed out that in spite of present conditions, Spanish-speaking businessmen based in the United States--about 200,000, deal in products of which 60 percent are of Mexican origin and to the tune of more than \$80 billion annually--support access to distribution of articles originating in Mexico, although demands for protectionist measures are heard from U.S. businessmen, who consider themselves injured by foreign competition, he said.

Garcia Barbachano disclosed that the national private sector will meet in this city next 17 February with the presidents of 12 organizations representing the U.S. private sector, to study the working out of a draft bilateral agreement governing the treatment to be accorded by the private companies of both countries to foreign investments as well as to international commerce.

At the conclusion of the talks, the private sector visitors will make proposals to the U.S. Senate that the government take appropriate measures, including changes in the commercial law, if a fluid commercial relationship requires it, said Garcia Barbachano.

In turn, the Mexican private sector will present for the consideration of the national authorities the measures agreed upon in the deliberations of that meeting, for evaluation, approval and for possible incorporation into the official policies of our country.

Entrepreneurs from both countries will analyse the need for an international trading system as a means of creating foreign exchange and other kinds of payment, and they will try to reach agreements concerning damages which the application of compensatory taxes causes to supplier countries. Also, serious study will be given to the connection which exists between foreign investment and flexibilization of money markets.

Garcia Barbachano stated with assurance that the amortization of those debts by about 15 billion pesos, has permitted the renewal of negotiations to restore the flow of capital.

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## CCE SEES NO SHORT-TERM REINVESTMENT

Mexico City UNOMASUNO in Spanish 12 Jan 84 p 8

[Article by Luis Acevedo Pesquera]

[Text] Claudio X. Gonzalez, vice-president of the Business Coordinating Council [CCE], said yesterday that there will be no short-term reinvestment of profits during the next few months, since the critical economic situation has forced the Mexican private sector to sacrifice such reinvestments in order to keep the productive plant in operation and to maintain employment levels.

He said that the reestablishment of a "firm equilibrium between debts and capital" is required so that businesses may be able to generate and reinvest profits, and be in a position to grow again at the levels of a few years ago.

The CCE representative, interviewed at the conclusion of a ceremony honoring the director of the National Finance Bank, Gustavo Petricioli, and the president of the National Securities Commission, Lorenzo Peon Escalante, for services rendered to FOMEX [Fund for Promotion of Manufactured Products], noted that pressures from abroad have diminished, now that the country has succeeded in restructuring debts contracted in the international area.

He said that the urgent task is to increase productivity and the level of domestic savings, so as to have available the resources necessary to guarantee discharge in full of the country's commitments as they become due, and to enable the country to grow again, but on more solid foundations.

Gonzalez pointed out that at the present moment of the nation's existence, "it is extremely important to reestablish the balance between what is owed and what constitutes the assets of business firms, above all to assure reinvestment in the shortest possible time of profits which may be generated."

He emphasized that it is now very important for businesses to obtain capital, but this will not be possible any longer via traditional mechanisms, which, by and large, have been cut off. Hence the importance of such instruments as FOMEX, which, through distribution abroad of the shares of domestic firms, guarantees sound financing in foreign exchange, and through the use of the securities market, which broadens access to those resources.

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## DURANGO, VERACRUZ: CONSTRUCTION INDUSTRY UNEMPLOYMENT

Mexico City EXCELSIOR in Spanish 9 Jan 84 p 30-A

[Text] Suspension of construction on private and government projects has caused the unemployment of about 5,000 workers in this sector in the Alto Papaloapan zone, in Veracruz, and about 20,000 in Durango, in the last 6 months.

The manager of construction workers in the Papaloapan area, Veracruz, Mauro Perez Jacome, pointed out that at the end of this year at least 20 percent of the workers will still be unemployed, because the public sector is still without sufficient budget to resume work on projects halted for more than a year.

He said that in the valley area they were hoping that the Papaloapan commission would start up the Cerro de Oro dam project this year, but that so far it is clear that the SARH [Secretariat of Agriculture and Water Resources], the SCT [Secretariat of Communications and Transportation], and other firms in the private sector do not have an operating budget, and the high costs of materials continue rising, reports Rogelio Freyre, our Tierra Blanca, Veracruz, correspondent.

Some 20,000 Masons Unemployed

The president of the National Chamber of the Construction Industry, Engineer Teodoro Ramirez, told the governor of Durango, Armando de Castillo Franco, that some 20,000 construction workers are out of work, because government and private construction projects continue at a standstill due to the tight economic situation in both sectors.

He said, during a meeting with the Durango state chief, that fortunately "the effects of unemployment in the construction industry were not felt, because we had a magnificent year for agriculture in the state."

He complained that the construction trade in Durango and the entire country is suffering more than ever from "discrimination by credit institutions, and banking functions have had to be taken over by the companies themselves."

He explained that the discrimination does not refer only to lack of credit, but to the lack of guarantees and other facilities, and that for this reason he requested the governor's intervention to provide a solution to the problem, our Durango correspondent, Joseph A. Salazar, writes.

12383

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MULTIPLE REASONS FOR VALLEY OF MEXICO WATER SHORTAGES GIVEN

Pipe Ruptures Blamed

Mexico City EXCELSIOR in Spanish 12 Jan 84 pp 5-A, 23-A

[Excerpts] Three breaks in the pipeline that brings water from the Cutzamala River to Mexico City are part of the reason for the water shortage here, it was reported yesterday.

The breaks were repaired at La Gavia, San Diego and Taberillas, which are located along the Mexico City-Toluca Highway, the Secretariat of Hydraulic Resources reported. The waters that leaked out flooded cropland.

In addition, the Federal District Department (DDF) reported that it would conduct a campaign to educate the public about how to avoid wasting water; each resident of the city wastes some 40 to 50 liters a day.

At the same time, it will continue to search for leaks in the galvanized piping, which because it was installed many years ago at varying depths has deteriorated and allows large amounts of water to leak out without any indications on the surface.

The department has special detection equipment for this purpose.

According to the Mexico City government, 15 percent of the 40 cubic meters a second of drinking water that the city receives goes to waste because of leaks in homes and in the distribution system. Estimates are that there are 70,000 leaks of all kinds. In addition, the city suffers from a shortfall of 2.5 cubic meters a second.

Repair Work Slow

The chairman of the Advisory Council of Mexico City, Juan Antonio Garza Hernandez, complained that the leaks that residents report to the authorities are not repaired until 3 weeks later.

## Aquifers Declared To Be Exhausted

Mexico City UNOMASUNO in Spanish 12 Jan 84 pp 1, 23

[Article by Jorge Reyes Estrada and Teresa Weisner]

[Text] The water-bearing strata in the Valley of Mexico have been exhausted by overuse, the Federal District Department admitted yesterday. The official spokesman of the capital city government, Humberto Romero Perez, warned of the urgent need to conserve water during January and February, "because otherwise," he said, there will be severe shortages during the upcoming low-water season (March, April and May), and the public will go thirsty."

Among the main causes of the current water shortage in the capital, he mentioned its wasteful use and the constant leaks because of breaks in the piping due to cave-ins and earth tremors.

Opinions about rationing vary widely among residents of the Federal District.

A poll taken among about 100 persons revealed a wide range of views. One person said that if water were rationed, then he might actually get some, while someone else somberly asserted that the government's announcement was "the beginning of the end; next, motor vehicle traffic will be controlled, then food, etc."

The political districts hardest hit by the water shortages are Azcapotzalco, Benito Juarez, Coyoacan, Tlalpan, Gustavo A. Madero, Alvaro Obregon and Iztapalapa.

Our investigation found that buildings from the 1950's in the Napoles District are without water, while in the Del Valle District there is no shortage.

The survey conducted by this paper disclosed that there are inequities in the distribution of water and that social differences heighten these inequities. In this regard, the DDF's Directorate of Waterworks Construction and Operation established in its diagnosis of the drinking water situation in Mexico City that whereas some city dwellers use only 80 liters of water a day, others consume up to 1,000 liters.

The DDF spokesman said that we Mexico City residents "have drunk up the water in storage and thus caused the overuse of the aquifers, which are currently depleted." He explained that the sources from which the aquifers can be replenished have been exhausted by the inordinate growth of the urban area. This is the case in the southern part of the city, whose aquifers are located in the foothills of the Ajusco up to the Zaragoza and Monte Alto ranges.

Therefore, he said, the DDF's Agricultural and Livestock Development Commission has put its Agrological Plan into practice to replenish the water-bearing strata depleted by the urban sprawl.

The Federal District receives about 40 cubic meters of water from various sources. About 69 percent, or 22 cubic meters a second, goes for household uses; industry uses up 16 percent (5 cubic meters a second); services consume 12 percent (4 cubic meters a second), and businesses consume 3 percent.

The above data, furnished by the Directorate of Waterworks Construction and Operation, also reveal that 8 cubic meters a second are lost because of public uses and leaks. Moreover, the excessive extraction of water from the aquifers in the Valley of Mexico has contributed to the sinking of the city, which in turn is one of the reasons why pipes break; this vicious circle has not yet been broken.

Mexico City has sunk about 10 meters over the past 20 years, and so far city authorities have been unable to substitute water from the Upper Lerma and Cutzamala rivers for the water extracted from local wells.

Because of its high population growth and the emergence of new districts, Mexico City currently suffers from a shortfall of almost 5 cubic meters of water a second.

The DDF spokesman pointed out that if water is not conserved in January and February, close to two-fifths of Mexico City residents would suffer severe shortages during the upcoming low-water season.

The various water distribution systems in the Federal District have currently begun adjusting their valves in shifts to decrease the water pressure and thus ration it, inasmuch as the present infrastructure does not allow for the shut-off of sections according to a preestablished schedule. The head of the Department of Water and Sanitation in the Alvaro Obregon District, Carlos Reyes Gonzalez, said that the announced water rationing would be carried out by decreasing water pressure. "Depending on the district, it will be in the morning, afternoon or evening."

According to the plans of the Water Commission of the Valley of Mexico and of the DDF's Waterworks Construction and Operation Directorate, the Cutzamala System ought to be supplying 5 cubic meters of water a second as of last year. So far, however, only 4 meters a second are coming in, which was the level planned for the first part of the project's first stage.

A tour of some of the Cutzamala System's facilities showed that work has been suspended and that some pipes have broken, flooding vast areas of farmland and ruining crops.

Mexico City receives its water from 11 sources. Six are administered by the DDF and the rest by the Water Commission of the Valley of Mexico. The former furnish 70 percent of the city's water supply.

## ISTHMIAN FIGURES DISCUSS POLITICAL-ECONOMIC CONCERNS

## Bishop Lona Talks With Pope

Mexico City PROCESO in Spanish No 377, 23 Jan 84 pp 14-15

[Text] Tehuantepec--It was Friday, 23 December. At 1000 hours on that day, at the Vatican, Pope John Paul II received Msgr Arturo Lona Reyes, seventh bishop of Tehuantepec, in an audience. The pontiff devoted an unusual amount of time to the meeting: 22 minutes.

Arturo Lona recounts:

"He received me standing, at the other side of the door, and warmly. We were in the audience room. He headed toward a rectangular table, about 2 meters long. He brought over a chair and put it at an angle near the table, and seated me at the side. We were close, very close; only 30 centimeters separated us from each other. Then he brought over a very large atlas, and put it where we could both look at it.

"He began with concern over the pastoral area and the people. I told him about the pastoral work in the diocese; about the basic communities, the peasants and the Indians; and about the poor in my diocese. I told him about the attacks by those who label me a 'communist' and a 'guerrilla.' When he heard that our way of acting and carrying out the pastoral activity was inclined toward the poor, he said: 'This is not communism.' Frankly, upon hearing that comment I said to myself privately: 'It was worthwhile coming to Rome.' No? I felt at ease."

We are with Arturo Lona, aged 58 and a native of Aguascalientes, in the bishop's office. In his room, there is a white wall hanging about 3 meters long, suspended over his bed. At both ends, the hanging is stitched with two embroidered sentences: "The mountain is wise and the Indian lives on it," and "If living the Gospel is being a politician...I am a politician!" They belong to the bishop.

Don Arturo describes his meeting with the Pope; he does not follow chronological order, as he keeps remembering and reliving the moments. He shows a copy of the document that he gave to John Paul II. Its title reads: "Five-Year Report, 1978-83, on the Pastoral Work in the Diocese of Tehuantepec." It is signed with his name.

He remarks:

"We perused the report. I spoke to him about my gradual, progressive advancement, which has been enhanced by the presence of God among the poor and among the common people; about the little ones and the poor who have evangelized us; about the evangelical needs of the diocese about the fact that they call for greater solidarity and question us when we divert from the course of action already begun, whether out of fear, lack of clarity, fatigue or lack of conviction.

"He expressed an interest in the people and the region. I said that, in the state of alienation and exploitation that Mexico is experiencing, particularly on the Isthmus, the challenge hurled at our faith is: How to be Christians on an Isthmus consisting of poor people, peasants, alienated Indians and exploited workers? I had written in the report: 'The alliance must not be with the established authorities, but rather with the poor. The mission consists basically of helping to convert the bases of the society to produce a new society in which it will be possible for the Christian to live his evangelical ideals.' I told him that this accompanying of the poor on their path of liberation, accepting Christ in the faith, had evoked as a response the blocking by the rich and the politicians, who go hand in hand on the Isthmus. I conveyed to him how they started to block my work and gave me the label of 'communist,' 'Marxist' and 'guerrilla.'

"When we reached the 'Options,' John Paul II stopped and read attentively: Indian pastoral activity, basic ecclesial communities, training of agents. That was when he said: 'This is not communism.'

"I felt a slap on the back, as if he were saying: 'Continue that way.' Don't you agree? I think that the pastoral program interested him. We saw that he was in a rush. I managed to tell him that we were trying to do with the poor of the diocese what he had told us at Puebla: 'Be the voice of those without a voice.' I reminded him of his speech at Culiapan, addressed to the Indians. I told him that this is what encourages us. He nodded his head."

Did the Pope say anything about Mexico?

"No, he listened. His Holiness listened to what was said about the diocese, and listened with interest to what was said about the pastoral plan. I told him that this is a region very far removed from the center, and about the very serious political problems and aggression. I explained to him the problem of being on the fringes: there are no schools, there are no roads, there are no hospitals, there are no sources of work and the best land is held by the political bosses...

"The Pope asked: 'You mean landholders?' 'Yes, landholders,' I replied. They have the irrigated land. And from there we went on to the problems of the South Pacific Pastoral Region. I told him about the refugees."

Did John Paul II say anything about the refugees?

"Yes, he asked: 'How are they being treated?' I said that the treatment is sometimes somewhat inhuman, or inhumane, because those brothers have come fleeing from the military government; they have come to our country in the hope of receiving more human treatment, and they sometimes meet with lack of understanding on the part of us Mexicans. 'That is sad, that is sad,' was the Pope's comment. John Paul's comments are very brief. That is why the comment, 'this is not communism' in relation to me, was everything."

According to Arturo Lona, the minutes spent with the pontiff passed quickly, very quickly. "I felt that I had not told him anything," he remarks, adding: "At one point I sensed that he was saying: 'All right, now the photo.' What photo? I thought. And just then the photographer was triggering flashes. Then he gave me as a gift a book on his trip, a rosary with the pontifical coat-of-arms and several small rosaries. I said to him: 'You see, Your Holiness, that I have not brought you any material gift. The gift from the diocese is that we shall continue attempting to be faithful and unconditional to the Gospel of the Lord Jesus, faithful to the Church of Jesus Christ and loyal to the Pope. That is our gift.' He nodded his head."

"Then I asked him with whom I should leave the report. 'Leave it with me,' he said. And when he took it in his hands (the report consists of 131 half-sheet pages, double spaced), he asked: 'And is this the entire report?' Taken aback, I told him: 'Yes.' And then he remarked: 'Sometimes the Mexican bishops have volumes and volumes and volumes.'"

"We bade farewell, and he said to me: 'You are obviously a young bishop.' I replied: 'You see, I am an Indian, and we Indians tolerate the years. Forgive me if I do not tell you my age.' In that mood, we said good-bye. He asked me to join him at the Christmas Mass. He gave me a card, number 33, near the cardinals. I was there on the night of the 24th at St Peter's Basilica. Since I was near the aisle, I approached the Pope for communion. And he kept looking at me again; but I didn't mind."

This is the account given by a bishop who has hopes that Pope John Paul II will read his report, his little "volume." In it, he makes statements such as these:

(Economic situation, pages 26 and 27): "In many places there is a great deal of insecurity about the ownership of land, and there are constant conflicts over boundaries (...) Commerce: "Generally speaking, the area is typified by its few sources of work. This reality, combined with the crisis in the rural area, has caused two situations: a. emigration from the area, and, b. ease in exploiting the working class, which is increasingly more dependent. At the present time, in Salina Cruz, if a worker wants to obtain a job, he must do so through the union. Those who want to work at the PEMEX [Mexican Petroleum] refinery go to Local 38 of the Trade Union of Petroleum Workers of the Mexican Republic (STPRM) and obtain a 28-day contract, paying for that contract and receiving a wage of 12,000 pesos. Every time they want to renew their contract, the union

requires that they put in 56 hours of work without pay, for projects 'of collective benefit,' but they will benefit only the union leaders."

"(...) Social situation, page 29: The quality and quantity of the educational centers are insufficient. There is an illiteracy rate among the Indian and peasant population. This explains the peasant's difficulty in organizing and protecting himself from the system. (...) As for public services (lighting, drinking water and sewerage), both in the urban and rural areas the conditions are extremely bad. We submit the following data on Salina Cruz: 70 percent of the population lacks a sewerage system, 50 percent lacks drinking water and public lighting. Based on data on the state level (1980), we note that 60 percent of the population lives in housing with only one room.

"(Political situation): In the urban area, a large number of the youth is politically aware, with leftist tendencies. This phenomenon is mostly in Juchitan, and slight in Tehuantepec and Salina Cruz. Their conscientization is a result of a corrupt, single-party political system. (...) Many communal lands have been converted into private properties; there are irrigated lands which are not well demarcated, or which are communal. The rights to use are turned over, not for purchase and sale, but rather, in the case of transfer, they revert to the common assets of the community. There have been conflicts. It seems to suit the government that they occur. (...) The government's policy has caused (...) the abandonment of planting and cultivating food, which is replaced by the types of products which are basic for industry.

"As for the local authorities, the relative democratic openness of the previous period has been cancelled on this occasion, wherein no recognition is given to the popular organizations for the electoral victories that they may possibly have accrued. Furthermore, recently the Army and the State Police have captured an increasing number of individuals who are not only jailed, but are also not allowed to communicate with persons outside. The mass news media, television and the press (with the exception of one weekly and one daily publication), manipulate and distort the news in favor of the official party and the government."

#### Government Anti-COCEI Project Claimed

Mexico City PROCESO in Spanish No 377, 23 Jan 84 pp 15-19

[Text] Juchitan--In a natural manner, without histrionics, these two young men, speaking firmly and resolutely, say and repeat so that there will be no room for doubt:

"We are not in a clandestine situation. That is the government's goal: to have us wind up in a clandestine situation. We shall not succumb to the state's provocation. They have tried to drag us along the path of violence; our line lies in legality. We trust in the organization and mobilization of our people of Juchitan. We are persecuted politically. That is why we are hiding; we are hiding because the state gives no guarantees for our lives nor for our legal political action."

Speaking are Leopoldo de Gyves and Daniel Lopez Nelio, leaders of the Labor, Peasant, Student Coalition of the Isthmus [COCEI]. The former is a deposed mayor of Juchitan; and the latter was a candidate for municipal president in the elections of last November.

They are discussing a repressive plan of the state, devised on the highest echelons of authority, to cause COCEI to disappear; a plan on two levels: one, promoted by the federal government, with the aid of the state government, aimed at striking the organization hard and destroying it; another, executed by the local political bosses, seeking the physical annihilation of "anyone who smacks of COCEI."

They explain the essential causes of the "indiscriminate repression" against COCEI and of the militarization of Juchitan. They describe the Isthmus of Tehuantepec as a strategic military area. They claim: "In the view of the United States, Central America begins in the Isthmus." But the area is also vital to Mexico's national security; the largest oil deposits in the country and the last frontier with the Central American volcano are located there.

The economic context does not escape analysis. The area is described as having maximum priority in the Southeast Plan (the so-called Program for Development of the Southeast Region). The Salina Cruz-Coatzacoalcas trans-Mixteca dry route (the old Alfa-Omega project revitalized), as a cheap alternative to the Panama Canal, is the basis for an agricultural-industrial complex that will be supported by the super-exploitation of a proletarianized peasantry. What is at stake are major national and multinational economic interests.

That is the problem: COCEI, with its tradition of struggling with the peasants, workers and students of the Isthmus, constitutes an obstacle. "COCEI represents the people's conscience, organization and mobilization; that is why they want to eliminate us."

Following is the text of the interview:

[Question] How has this state of repression against COCEI come about? What is the explanation for the fact that this town is now militarized, in a situation that is visible to any visitor?

Daniel Lopez Nelio: "This has not happened overnight. The repression triggered by the state in recent months is part of a general plan aimed at striking hard at COCEI as a political organization. Our movement represents an obstacle to an entire national and multinational economic plan included in the Southeast Plan: the Alfa-Omega corridor. Therein lies the origin of the government's repressive plan."

He gives a history: "The first goal of the plan was the disappearance of the popular municipal council in Juchitan. The abolishment of powers on 3 August 1983 was a harsh blow, but COCEI's political leadership survived. The next phase was the election of a municipal president. In advance, the PRI [Institutional Revolutionary Party]-government prepared and devised everything.

organized the fraud. They had to win however they could: They tried to 'legitimize' the recovery of the municipal council to justify the repression. And the repression by the state came with fury: over 220 arrested in the evictions from Ixtepec and Juchitan on 12 and 13 December. They even went so far as to enact a curfew on 14 and 15 December, in order to be able to check the popular protest. Thus far in the government of Miguel de la Madrid, this had not occurred anywhere in the republic. On 1 January 1984, the people of Juchitan were attacked again by police wearing civilian clothes, and by Nacho Bernal's gunmen. The people, in a peaceful demonstration, went out to protest the imposition, and they were shot. The toll: 35 persons wounded, three seriously, and six comrades arrested."

De Gyves intervenes: "Never before has there been action of this scope at present; never before had all types of repression been enacted against COCEI. It was a widespread, diversified repression. Everything was used. The victims were children, the aged, women and men. But it was never a joint action, by the entire state as a whole. We say this based on the presence of the Army, in particular, of troops coming from the Military Zone of Minatitlan, Veracruz. The commander of the military zone has as his immediate chief the secretary of national defense and the latter, in turn, has the president of the republic as his chief. In other words, there were decisions on the highest level in the state to trigger the repression against our movement. What does all this repression mean? It shows that the government has been forced to show its other side: the fascist-oriented face of the regime itself.

"In the municipal elections of 1980, an electoral fraud was committed in favor of PRI. We occupied the Municipal Palace for 33 days, and we succeeded in having the elections canceled. In the special ones in March 1981, we managed to win. Why was our victory then acknowledged, and not now? Because, at that time, political reform was in vogue. An attempt was made to give the impression that there was respect for democracy, for dissidence, for political opposition and for party pluralism. They were preserving the image of the regime. However, the defeat was extensive, and emphasized the deterioration of PRI's social base. They saw no option other than to resort to repression."

It is Lopez Nelio who resumes the floor: "The state's repressive plan is still under way. It is taking place on two levels: one is the general state plan seeking to strike hard at COCEI and to destroy it as an organization. The other is carried out by the local political bosses, and seeks physical annihilation; it is aimed at creating the conditions for the physical elimination of not only the leaders, but also of anyone who smacks of COCEI. This has been stated by the deputy, 'Red' Altamirano, and by the imposed municipal president, Javier Fuentes Valdivieso, when he assumed office. They said that they would not falter until they had annihilated COCEI. Doesn't this come into contradiction with the political reform and with Mexico's international line?"

The interview turns to the degree of organization and strength acquired by COCEI since the installation of the popular municipal council in 1981. It is

De Gyves who describes the organization's social growth and its political development. During the first 8 years after its creation, COCEI had succeeded in organizing people in five municipalities of the Isthmus region. In the 2 years of municipal government, the growth included up to 18 towns. He says: "This development has concerned PRI as an organ for political control and a major backer of the Mexican regime." It was no longer just the struggle to recover the communal lands; it was also the trade union struggle. And this brought its consequences, such as in April 1983, when COCEI established the Workers Federation of the Isthmus and, a month later, through work stoppages, succeeded in breaking the wage ceiling set officially at 25 percent, up to 37 percent for its union members.

He comments: "The reaction from the State Chamber of Commerce is not surprising; on 13 May it carried out a management lockout against COCEI and the Juchitan municipal council, with the support of the PRI members of CROC [Revolutionary Confederation of Workers and Peasants], CTM [Confederation of Mexican Workers], CROM [Revolutionary Confederation of Mexican Workers] and CNOP [National Confederation of Popular Organizations]. The next day, an office of the State Crime Prevention Police (the so-called "blues") was set up, with nearly 200 policemen assigned to it. There had never been so many police in Juchitan. They took over the Okey soft drink factory, Coca Cola, the Carta Blanca and Superior brewery agencies, the EXAH-Radio Hits radio broadcasting station, the state revenue collection office and the court of the first instance. Where else in the country has a situation like this occurred? Police from the state, armed with sub-machine guns, guarding the entrances of factories! It was like living under martial law. This took place in Juchitan. Then came the curfew and the virtual besieging of Juchitan with police and Army reinforcements. All of this goes to show the fascist features of the Mexican state. This must be pointed out. And it seems to me that the Mexican left has not pointed this out clearly enough; possibly because the progress of the democratic, popular struggle in other parts of the country has not reached the degree that would evoke overt repression from the system. But on the Isthmus it has already reached these extremes."

[Question] What economic interests are operating in the region? Why does the Alfa-Omega project require repression?

Lopez Nelio says: "Juchitan is an important area of the Isthmus, geographically and economically, not only in the context of the agricultura-industrial project that is in its inception. It is a strategic military area. In the United States' view, Central America begins in the Isthmus. When we were in the municipal council, people from the United States Embassy were here looking for information. What have they come to the Isthmus to do? They are concerned that there is a highly significant popular movement. The United States has some connection with this furious repression by the Mexican state.

"The Alfa-Omega project itself is sponsored by the United States. It can only be carried out with foreign capital, capital most of which comes from the United States. The Panama Canal is no longer useful to them; that is why they

are promoting the Coatzacoalcos-Salina Cruz dry route on the Isthmus. The containers are already over in Salina Cruz. The Southeast Plan has given priority to the 'modernization of the communications routes in the area; it is fostering the development of Salina Cruz as one of the enclaves for this interconnected highway system. Port and storage facilities are being equipped to facilitate the modal exchange of cargo. The plan calls for an impetus to the inbound assembly industries in the region, with the idea of integrating the area into the United States market by means of ocean trading."

The multinational connection is revealed by Leopoldo de Gyves. He cites the U.S. firm AIRSA, which has purchased slightly over 10,000 hectares of land for cultivation on the border of the Isthmus of Tehuantepec (from Salina Cruz to Coatzacoalcos) and has put it up for sale to United States investors. AIRSA's advertising depicts the Isthmus as an area that will have major industrial development and, at the same time, as a region serving as an alternative to the Panama Canal. He says: "In 1978, the company's representative in Mexico was Genaro Vazquez Colmenares, a relative of the present governor. Could it be a coincidence that, a few years later, Pedro Vazquez Colmenares came to be the governor of Oaxaca?"

Upon the starting of the project, the contradictions cropped up: problems involving land and labor problems. This is what underlies the repression against COCEI. Lopez Nelio explains that the project has prompted a strong movement among political bosses defending the private ownership of the region's land. He states: "But there are no private properties in the Isthmus region, in the sense of 'property' interpreted by the agrarian legislation. They are all communal, or divided lands. The political bosses have fostered the enforcement of the law on idle land and, with the government's complicity, have 'legitimized' the monopolizing of land in Juchitan. This is one of the essential problems; it is the most important nub in the COCEI struggle." He gives the names of landholders: Alfredo Benitez, former local deputy, 1,500 hectares; Benito Guerra, 900; the Gonzalez Roman family, 700; Dalila Lopez Gurrion, 560; Honorato Morales, Honeciforo and Federico Rasgado, each with 500; Federico Montero, present township representative of Juchitan and divided landowner of La Ventosa, and Pedro Gutierrez Roncalia, with 400 apiece. A total of approximately 40 persons is monopolizing over 18,000 hectares which belong to the Juchitan communal lands.

De Gyves discusses the labor problem: "The Alfa-Omega corridor agroindustrial project is being financed with investments from the World Bank and IMF. This means that they have imposed conditions, and we already know what they are: that the minimum wage be paid, and that benefits and compensation be avoided. But the situation is worse; the impoverished, proletarianized peasants go to sell their work force to the construction companies, and do not even receive the minimum. They are over-exploited, with the approval of the managers and the traditional labor organizations. An organization has risen up against this, COCEI, which claims the demands of the workers, and organizes them so that they may better oppose the exploitation; and of course this explains the attempt to destroy us."

Lopez Nelio contributes further information: COCEI and the popular municipal council of Juchitan are a "bad example" on the national level. That is why it has to be destroyed. He says: "The election defeat of 1981 hurt PRI. Although PRI was defeated by a small margin, it was proven that it could be beaten. When the people are organized, they can win. And the important thing is that COCEI offered a different plan for governing, and for administering justice and economic resources in a different way; because there are also municipalities that are in the hands of PAN [National Action Party] or PPS [Popular Socialist Party]. So, this has become an option for the state and for the region; it is an example to be imitated. Juchitan has become a focal point on the national level. Many political organizations have realized that it is possible to enter the electoral contest."

He gives a reminder than, when COCEI opted for the legal, electoral method, it was accused of being "reformist" by a sector of the left which was claiming the tradition of struggle of the people of Juchitan. "They told us: 'You have now joined in the political reform.' But when they saw that the PRI electoral fraud was defeated in Juchitan, at the polls, they began to change..."

He repeats that this "bad example" had to be terminated, and he goes on to analyze the crisis in the government party. He claims: "PRI on the national level is in a state of political crisis, as a system. The political defeats in Puebla, Guerrero, Oaxaca and Michoacan are proof that the political system is falling apart. The government has no other course of action left than that of imposition. Here, either you remain silent or you protest; and if you protest, they destroy you. That is happening in Juchitan, and it happened in Puebla with PAN. They protested, and there was one death. The system wants to maintain consensus by force, with PRI's imposition on the national level. If there had not been a fraud in December, we would have won; and the 'bad example' of COCEI would have spread on the national level."

Leopoldo de Gyves probes into the matter. He says that the COCEI's victory proved the validity of the organization's political line. He asks: "Why are there organizations which have decided to participate in the municipal elections? They are not doing so because of illusions about the political reform. They are doing so because they have realized, fundamentally, that there is a new politics, a new left; a left which understands that engaging in politics is not merely taking the electoral course and succumbing to electioneering; which understands that political participation is a tactical issue that is not based upon the electoral clientele, but rather on a prior effort at organization among the working class, marked by daily struggle. There is a new left which is not caught in the vicious circle of pointless discussions in its newspapers, which is involved in the political struggle, organizing and leading the people in their demands; a left which is combating sectarian positions and seeking the broadest alliances with the democratic and leftist organizations."

[Question] What are COCEI's prospects? What, specifically, will happen in Juchitan? What will you do to oppose the PRI imposition?

Lopez Nelio remarks: "Our position is to seek a political settlement. For what reason, and for whom is this gentleman (Fuentes Valdivieso) going to govern?"

He is going to govern for the political bosses and the big businessmen, but not for the people. What has he done up until now, in 15 days of governing Juchitan? He has jailed our people, and persecuted them. When he goes out on the street he has with him the Army and the blues,' and his gunmen. Is that governing? But the state wants him to govern in that way.

"We propose as a political solution the formation of a provisional civilian council or administration capable of calling for new elections; a combined council of PRI and COCEI. But the government refuses to accept that. The state is adamant against any solution." It claims: 'PRI won, and won fairly. The municipal council represents a majority of Juchitan residents.' That is the state's notion. A high-ranking state official said, regarding the proposal for negotiations: 'I cannot, I should not and I have no desire.' I answered him by saying: 'The Father, the Son and the Holy Spirit, and one true God.' The only God here is PRI, and hence it will continue to give orders in Juchitan. That is the state's notion. And yet Fuentes Valdivieso claims that he has not broken off the dialog. Can one hold dialog with a pistol at his neck? Furthermore, it was the government's plan to have elections in order to commit the electoral fraud, to impose it and to repress us. The government never had any intention of negotiating with us."

[Question] So have dialog and negotiations between the government and COCEI been scrapped?

Lopez Nielo continues: "No, the state now seems to want to negotiate. After the eviction from the Municipal Palace on 13, 14 and 15 December, when the people of Juchitan overran the police and the Army, they had no other option left than to tell us: 'Listen, bastards, be calm, because we are not offering a truce.' Then it ordered us to be summoned, and under very weak conditions, because it ordered me to be arrested. It was at that time that they wanted dialog. And now, actually, we can say that there are talks; but there has been a point at which there has been no settlement. The government was imposing, and we repudiated it. As a response, we are going to have a parallel municipal council. There is no political settlement on this point: They impose their municipal council, and we establish our parallel one. We are also calling for the release of all prisoners, that the state respect the lives of our members, that it curb the persecution and that it recognize COCEI as a political organization with a right to exist based on the political Constitution of the Mexican state."

[Question] In government circles COCEI is usually accused of opting for violence. What is your view of the problem of violence on the Isthmus?

De Gyves: "The political violence has come from gangsterism, and gangsterism is linked with the interests of the landholders and the big businessmen. The facts speak for themselves: On 20 November 1974, they assassinated a female comrade at a political demonstration; a year later, eight farmers and a student were assassinated at a rally on behalf of the struggle for land. This has not stopped as yet. Violence and illegality are systematically practiced by political bosses, employers and big businessmen. It does not originate with

the people of Juchitan. How many political bosses have been killed? How many political bosses have been jailed? None, not a single one. Those who have been killed, assassinated and jailed are always farmers, workers and students. They engage in illegality and violence, and remain free. They have the authorities and the justice system on their side."

[Question] What is your situation now, why are you hiding? Have you entered a clandestine situation?

Daniel Lopez Nelio says: "Since COCEI came into existence, the state has always wanted us to wind up in a clandestine situation. It wants to lead us into engaging in another type of action that is not the mobilization of the masses. In a talk that we held with the former governor, General Jimenez Ruiz, he told us: 'All right, why are you making so many allegations, man? Go to the mountains, take arms and we shall settle things there.' What does that show? They want to force us into a clandestine situation. COCEI will never fall into the state's trap. Our method is legal; we have confidence in the organization and the mobilization of the people of Juchitan. The proper alternative at the present time is to implement the parallel municipal council. It will be a dual authority in Juchitan. There, we shall administer justice with popular judges, and we shall explain to our people why it is unnecessary to resort to a clandestine situation. It is not COCEI's intention to respond with violence; it is not the intention, it is not the historical time and the conditions are not present either. The proper alternative is to organize the sectorial committees and the base committees for the political struggle."

De Gyves concludes by stating: "There is provocation from the state to have us wind up in violence and a clandestine situation. It is the system which is telling us: 'There is one of two things here: either go along with the government or, in the end, there is no option for you other than illegal struggle, other than violence.' They want us to succumb to desperation; but we shall not succumb to the provocation. We are not clandestine; we are the victims of political persecution. That is why we are hiding; we are hiding because the state will not offer guarantees for our lives nor for our legal political action."

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CSO: 3248/418

## EXCOMMUNICATED PRIEST ACCUSES BISHOP, CLERIC OF HOMICIDES

Mexico City UNOMASUNO in Spanish 9 Jan 84 p 6

[Text] Chilpancingo, Guerrero, 8 January--According to Father Angel Torres, a priest from the Church of Sorrow independent parish in Acapulco, "The clergy in Guerrero have not succeeded in progressing, and they have gone over to the side of the bourgeoisie."

When interviewed by UNOMASUNO, the priest, who was excommunicated by the Mexican Church over 2 years ago "for his dissident ideas," stressed that, "The clergy in the state have become so bogged down that they are supported by the bourgeoisie in the government."

Known in Guerrero as "Father Torres," he expressed approval for the Church's participation in politics, but with just one goal: "to struggle in the defense of the oppressed people."

He described several Guerrero priests as "real criminals in cassocks," disclosing, for example, that the curate of Ometepepec, Rafael Cortes, killed the custodian of the church in Igualapa, in the Costa Chica area, some time ago.

"The priest killed that man because the members of the Igualapa church were opposed to having Cortes and another priest named Vicente loot a church."

He revealed that both priests had attempted to remove the gold objects with which the Mass is celebrated in the settlement of Ometepepec. Torres said that this had occurred during 1965.

Father Torres added: "In Guerrero, the priest Rafael Cortes always goes around with a pistol in his belt, because he is afraid that someone may attack him at any time. Furthermore, he is disrespectful toward the married women and young single women, because he has made some of them his lovers under pressure of faith in the Church."

And besides: "That Rafael Cortes is backed by the political bosses in Costa Chica, Guerrero, and the government will have to take the matter into its

hands, because priests like that are a blot on the Mexican Church, and do not uphold the General Constitution of the Republic."

In commenting on the bishop of Acapulco, Rafael Bello Ruiz, Father Torres noted that he is a reactionary element and also a murderer; because, he said, all over Costa Grande "it is known that he ordered the killing of a brother of his so that he might keep large expanses of land and other properties."

In this connection, he remarked: "Divine law prohibits us members of the Church from having worldly goods during life."

Angel Torres added: "That Bello Ruiz from Acapulco is a member of the 'synagogues,' because he charges the church members in the port for the sacraments at whatever price he likes."

For this reason (he added), the people are becoming more dissociated from the Church every day; emphasizing that the clergy, too, are failing to engage in more activity for just causes.

2909

CSO: 3248/418

## EPISCOPAL VICAR: CHURCH READY TO SEEK MORE JUST SYSTEM

Mexico City UNOMASUNO in Spanish 12 Jan 84 p 6

[Text] San Luis Potosi, SLP, 11 January--The Catholic Church is ready to change the structures and to guide its members toward a search for a just system that will arouse a civic consciousness for defending people against the injustice, abuse and arbitrary action of the Mexican state, in view of the dangers that are posed by the social crisis resulting from the economic and political problems that have not been surmounted.

The foregoing statement was made by the episcopal vicar, Jesus Torres Jara, during the week of evaluation and analysis of the pastoral plan for the Diocese of Potosi, which began yesterday. The priest also declared that the Church should give up the private schools in which religious instruction cannot be offered.

He added that new means for evangelizing are being sought, such as the creation of basic ecclesial communities which would include 70 percent of the population living in alienation; and he noted that it is not yet time to demand the elimination of educational secularism or any reform to the Third Article of the Constitution, because "we do not yet have sufficient facilities for modernization that would enable us to deal with those problems openly."

The priest mentioned that the Church should demand of the state a "serious" renewal of its structures, and that when speaking of a moral renewal, it should not penalize a few scapegoats, while in reality there are officials who are untouchable.

He admitted that, on occasion, the clergy itself is not consistent with what it says and does, something which is interpreted as a manipulation of the faithful; because within this institution there is a great diversity of groups and movements. And this is not conducive to the Church's criticizing itself and deciding on the new alternative plan that would attempt to establish a commitment to the popular causes and not to the political authorities.

Moreover, in the presence of 120 diocesan priests and 20 religious groups participating in the event, the bishop of this locality, Ezequiel Perea Sanchez, claimed that foreign religious sects are blackmailing Catholics, "taking advantage of the hunger of the Indians and alienated people in order to use them as bait, and attempting to change our religion."

## BRIEFS

NORTHERN REGION SUFFERING LABOR SHORTAGE--The smelting and mining industry, and the cotton and fruit harvest in the northern border region of the country are suffering a labor shortage, particularly in Sonora, the governor of that state, Samuel Ocana Garcia, disclosed yesterday. He added that this problem will be exposed "to the light of the National Development Plan," at the meeting which President Miguel de la Madrid will hold today with state governors. The governor of Coahuila, Jose de las Fuentes Rodriguez, will speak as the representative of the northern states. [By Mario Garcia Sordo] [Excerpt] [Mexico City UNOMASUNO in Spanish 11 Jan 84 p 8] 12383

CSO: 3248/415

## DUTCH CONCERNED OVER DEMOCRACY IN ARUBA

Rotterdam NRC HANDELSBLAD in Dutch 15 Feb 84 p 2

[Article: "Concern In Chamber About Democracy In Aruba"]

[Text] The Hague, 15 February--Among most parties in the Second Chamber, there exist serious concerns about the political climate on the island of Aruba. Above all, the intolerance toward political opponents and the denigrating manner in which the independent judicial power is spoken of have caused doubts to be raised about the democratic standard on the island.

This became clear yesterday during the Chamber debate on the Antilles budget. A Chamber delegation paid a visit last month to Aruba, among other places, and ascertained there that the political climate has worsened somewhat of late.

Minister De Koning (Antillean Affairs) noted that he never heard Betico Croes, the leader of the MEP [People's Electoral Movement] party that has an absolute majority on Aruba, express any criticism of the judicial power, but he did criticize the public prosecutor. De Koning said that he often pointed out, on the spot, the necessity of developing respect for the democratic rules of the game, certainly in a small community like Aruba.

In the final conclusions of the round-table conference, guarantees were included that democracy and legal security would continue to exist, even during the separate status for Aruba that goes into effect on 1 January 1986. In response to a question by Van Rossum SGP [Political Reformed Party], De Koning said that this will also be valid for the cooperative relationship that the Netherlands will establish with Aruba after 1996 (the date of full independence).

Preparation for the separate status, moreover, is still proceeding according to plan, said De Koning, although there are problems concerning the solidarity fund for support of the small islands, the division of estates and the introduction of a local Arubian currency. The aim is to have all the bills ready by the end of this year, so that the parliamentary discussion can take place the following year. A preliminary draft for amendment of the statute will be published already next month.

De Koning stated that he thought it "advisable" for the Arubian MEP to start cooperating with the MAN [Movement for a New Antilles] party of Premier Martina and join the central government in Willemstad. Chairman Van Kemenade of the permanent Chamber committee for Antillean affairs yesterday made an urgent "collegial appeal" to the Antillean parties to start working together and so allow the preparation for the separate status to proceed in a stable manner. At the same time, De Koning said that he hoped a broadening of the central government would come about in the foreseeable future, but that he still knew of no programs in that direction.

#### Guarantee

The Antilles have not yet agreed to the Netherlands' offer to fix development aid at five percent of the total Dutch development budget. This would mean a substantial increase for a total of 245 million for the Antilles in 1984. The Antilles, however, have made it known that they want a higher percentage, as well as a fixed minimum contribution as a guarantee against fluctuations in the Dutch national income, as a result of which the contribution for the Antilles can sometimes show a decline.

The Dutch development budget is linked to the national income. De Koning announced yesterday in the Chamber that the Netherlands have denied this demand by the Antilles.

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CSO: 3214/114

## BRIEFS

FACTORY SPACE SHORTAGE--Castries, St Lucia, 23 Feb (CANA)--St Lucia, facing an acute shortage of factory space, is looking for nearly two million U.S. dollars by October to find accommodation for five industries from the Far East with good employment potential, Prime Minister John Compton has said here. He told parliament yesterday that as a result of his recent three-week trip to the Far East--South Korea, Taiwan and Hong Kong--no less than five concerns had signed letters of intent to locate here, and had the employment potential of over 1,000 workers. However, he said, given the acute shortage of factory space facing the island "government needs to find 1.8 million U.S. dollars to build some 60,000 square feet of factory space. St Lucia is to capture some 600 industrial jobs now in the offing." "Let me assure members that no effort will be spared to obtain the necessary funds," Compton said. He added: "Our employment situation is far too grave for us not to make the necessary effort and the necessary sacrifice to solve it." [Text] [FL231950 Bridgetown CANA in English 1517 GMT 23 Feb 84]

CSO: 3298/1136

## BRIEFS

DISCRIMINATION BY TRINIDAD--The Tobago division of the Chamber of Industry and Commerce says Tobagonians feel discriminated against by Trinidad. A statement issued by the chamber said it is difficult to convince residents of Tobago that they were not singled out in Trinidad and Tobago's 1984 budget, particularly where air and sea travel between the islands is concerned. In the 1984 budget presented to parliament January 11, Prime Minister George Chambers announced fare increases of nearly 100 percent in the cost of interisland transportation. The Chamber of Commerce noted that Tobagonians depend on Trinidad for items ranging from groceries to medical attention and, to obtain those items and service, public must travel. The chamber said shipping costs will push the cost of living in Tobago much higher than in Trinidad. [Text]  
[FL271410 Bonaire Trans World Radio in English 1130 GMT 27 Jan 84]

CSO: 3298/1132

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